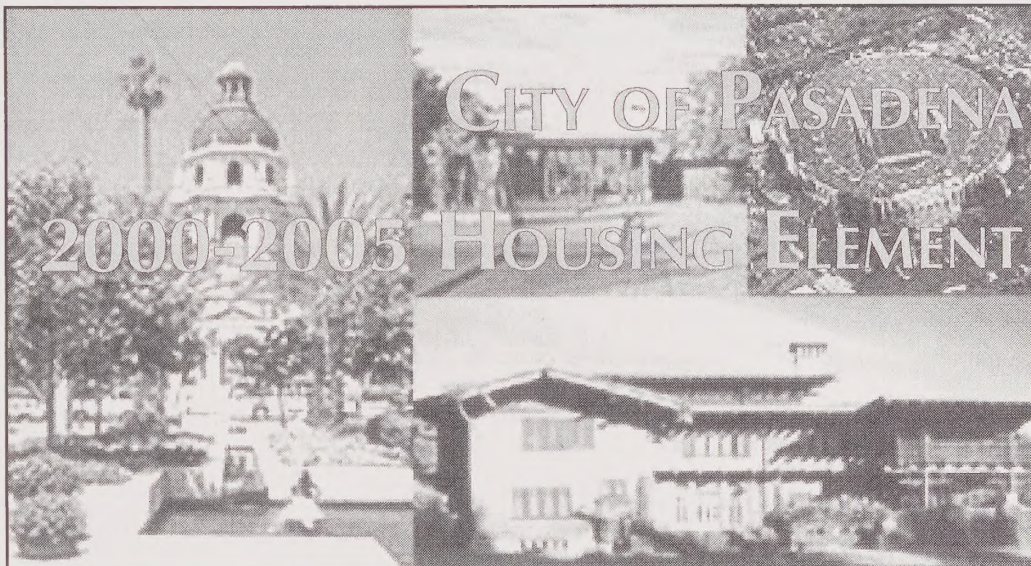
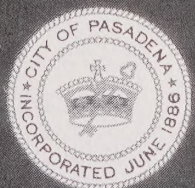


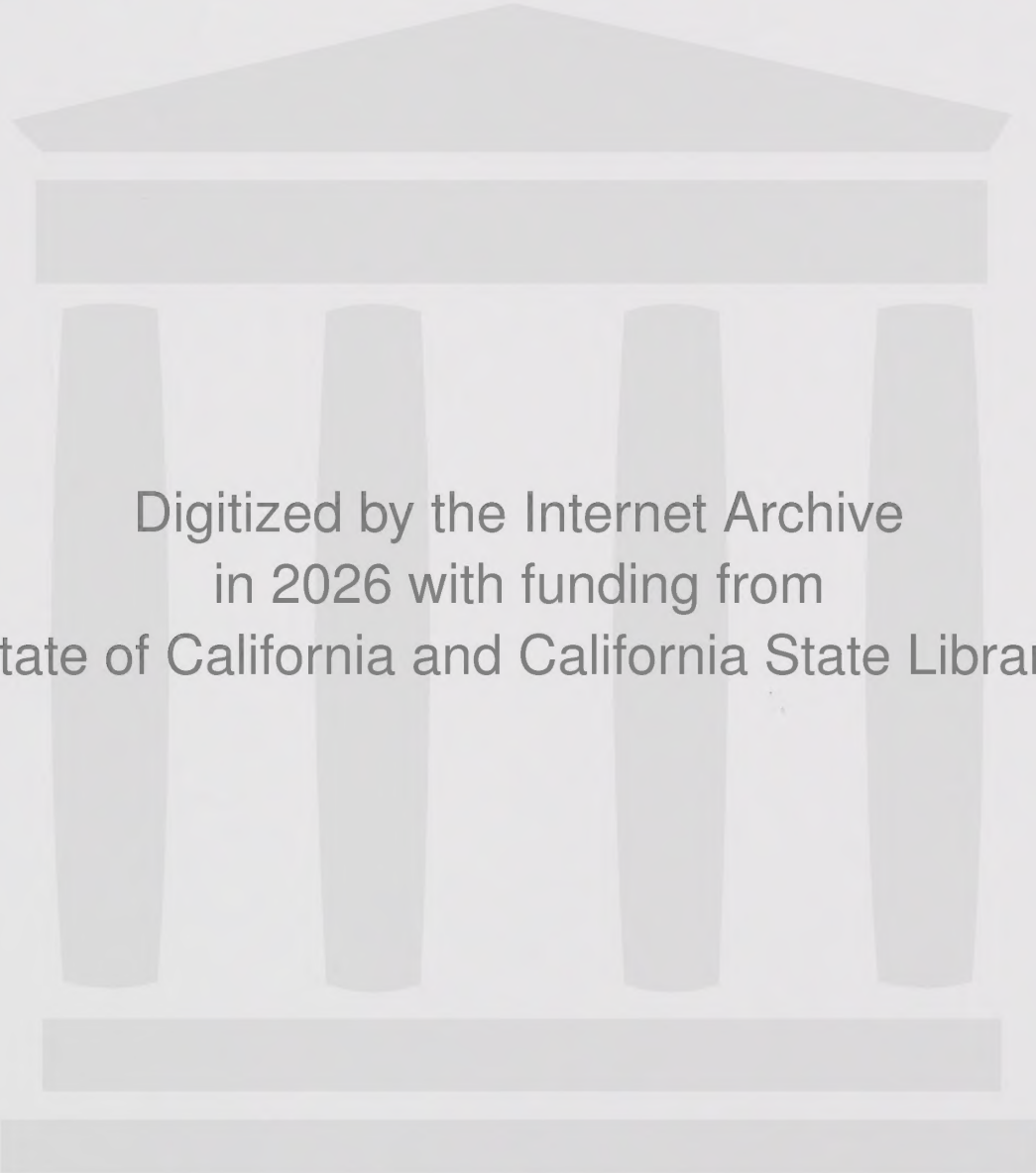
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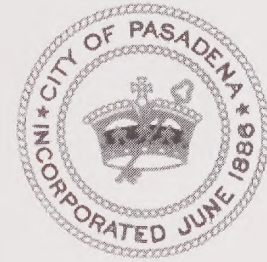
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City of Pasadena 2000-2005 Housing Element

September 2002



COTTON/BRIDGES/ASSOCIATES
A Division of P & D Consultants

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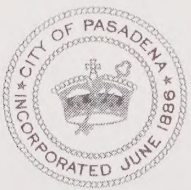
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INTRODUCTION





A. Community Context

Incorporated in 1886, Pasadena is a thriving community of 134,000 persons located at the base of the San Gabriel Mountains. The City has become known for its vibrant economic and educational base, cultural amenities, diverse housing opportunities, as well as high quality of life. These amenities have distinguished Pasadena as one of the more livable and sought-after communities within the greater Los Angeles metropolitan area.

Pasadena benefits significantly from a strong employment and educational base as well as cultural institutions. The economy is anchored by several major corporations, thriving retail activity in the historic downtown and Central Business District, and an emerging base of technology, financial, and health-related employment. The City is home the eighth largest community college in the nation (Pasadena Community College), California Institute of Technology, and other private universities.

Pasadena is also known for its breadth of cultural institutions, including the Norton Simon Museum of Art, Pacific Asian Museum, Tournament of Roses, and other notable institutions. Community involvement in Pasadena is represented through the Pasadena City Library, historical preservation organizations, and numerous active community organizations. These institutions reflect the community's pride and contribute to a higher quality of life.

The City's housing stock offers a range of housing opportunities to meet the various lifestyle needs of its residents. Housing opportunities are available within low density hillside areas, single-family neighborhoods, and varied multi-family districts. Mixed commercial-residential districts in the downtown and along major corridors provide additional housing opportunities. Many well-preserved historic neighborhoods are located within Pasadena. The City is also active in preserving and funding affordable housing opportunities for its residents.

Although Pasadena as a whole has improved with the regional economy, a byproduct has been a rapid demand for housing and corresponding increase in housing prices. Rapidly increasing housing prices place a high burden upon individuals and families of low income and contribute to changes in neighborhood composition of neighborhoods. However, the regional economy has affected various neighborhoods in different ways.

Pasadena thus faces several challenges for the 2000-2005 planning period for the Housing Element. Some of these challenges include maintaining the diversity of the community, ensuring the affordability of its housing stock, addressing individuals and families with special housing needs, focusing reinvestment in poorer areas of the community, and balancing growth with preservation of the unique aspects of Pasadena.

B. Methodology

1. Organization of the Housing Element

The Housing Element is a five-year housing plan covering the period from 2000 to 2005. The Housing Element identifies policies, programs and objectives that focus on the following: 1) conserving and improving existing affordable housing; 2) providing adequate housing sites, 3) assisting in the development of affordable housing, 4) removing governmental and other constraints to the housing development, and 5) promoting equal housing opportunities for all segments of Pasadena's population.

The Housing Element consists of the following major components:

- Introduction to the Housing Element, providing the requirements, data sources, relationship to other general plan elements, and public participation (Chapter 1)
- An analysis of the City's demographic, household and housing characteristics to identify housing needs (Chapter 2)
- A review of potential market, governmental, and environmental constraints to meeting the City's identified housing needs (Chapter 3)
- An evaluation of the land, financial and administrative resources available to address Pasadena's housing needs (Chapter 4)
- A statement of the Housing Plan to address the City's identified housing needs, including housing goals, policies and programs (Chapter 5)

2. Data Sources

In preparing the Housing Element, various sources of information are consulted. Wherever possible, Census 1990 and 2000 data was used as the baseline for all demographic information. However, additional sources were used to provide reliable updates to the 2000 Census. These include housing market data from Dataquick, employment data from the Employment Development Department, lending data from financial institutions, and the most recent data available from service agencies and other governmental agencies.

In addition, the City's 2000-2005 Housing Element implements the most recent changes to State Housing Element law, including those affecting the development, maintenance, and improvement of housing for persons with disabilities. As part of this effort, the City incorporated recommendations from the recently completed 2000-2005 Analysis of Impediments to Fair Housing Choice as part of this Housing Element effort. Thus, the Housing Element contains programs reflecting all social and economic segments of residents.

3. Relationship to Other General Plan Elements

The Housing Element is one element of the Pasadena General Plan. The General Plan consists of the following elements or chapters: 1) Land Use; 2) Mobility; 3) Housing; 4) Open Space, Conservation, Scenic Highways, and Energy (combined); 5) Public Facilities; 6) Cultural/Recreational/Historical (combined); 7) Noise; and 8) Safety. This Housing Element builds upon the other General Plan elements, and its policies are consistent with the policies and proposals set forth by the General Plan. The City is currently updating its General Plan, after a major revision of the Land Use and Mobility Elements in 1994.

At this time, the 2000-2005 Housing Element does not propose significant change to any element of the City's adopted General Plan, nor does the revised General Plan and the Land Use Element propose changes that would reduce the City's adequate site inventory. However, if it becomes apparent over time that changes to any element are needed to ensure internal consistency is maintained, such changes will be proposed for consideration before relevant advisory bodies, the Planning Commission, and the City Council.

C. Public Participation

Public participation is a key component in the 2000-2005 Housing Element. In drafting the Housing Element, Pasadena coordinated the public participation for four separate and interrelated efforts: (1) the preparation of the City's Consolidated Plan; (2) Public Housing Authority Plan; (3) Redevelopment Implementation Plan; and (4) the Housing Element. This approach provided the opportunity to discuss and link important priorities, goals, policies, and programs across many housing plans into an integrated Housing Element.

1. Role of the Housing 2000 Committee

The City formed a "Housing 2000" committee to discuss goals, policies, and programs for the Housing Element. A series of stakeholder workshops, "Housing 2000," focused on important housing issues in the City, rather than individual housing documents, and led to a final statement of housing vision and policies. The 2000-2005 Housing Element is based on the Housing 2000 meetings and statement, as are the other housing policy documents. The Housing Needs Assessment (Housing Element, Chapter 2) provided background for the Housing 2000 discussions and recommendations.

Representatives of the following groups, among others, were regular participants: Housing and Homeless Network of Greater Pasadena, Senior Advocacy Council, Pasadena Senior Center, Fannie Mae, Fair Housing Council, Foothill Apartment Association, Community Housing Services, Pasadena Heritage, and Pasadena-Foothill Association of Realtors. Participants included housing advocates, non-profit and for-profit housing developers, housing service providers, brokerage service providers, financial institution staff, neighborhood organizations, affordable housing program participants, and other residents of the city. The City housing vision reflects the conclusions of the Housing 2000 workshops.

2. Public Review

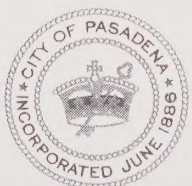
The Draft Housing Element has been distributed to the Pasadena Center for Community and Family Services, Neighborhood Legal Services, Western Justice Center, Los Angeles Community Design Center, and others, as requested. Three Pasadena advisory bodies – Senior Commission, Northwest Commission, and Community Development Committee – also reviewed the draft. The Planning Commission reviewed the draft Housing Element and staff transmitted copies to the City Council. Comments are reflected in the Element.

After incorporation of public comments made during the process, the Housing Element was then sent to the California Department of Housing and Community Development for review and comment. Upon revision, the Housing Element was sent again to HCD. To ensure public input on the Housing Element, the City announced the availability of the Housing Element in a series of public service announcements, provided copies for the City's public library, and distributed fliers at the senior center.

After receipt of comments from the Department of Housing and Community Development, the Housing Element is circulated before the Pasadena Planning Commission and City Council. The public will have opportunity to comment on the Housing Element, its goals, policies, and programs. To encourage public involvement, notification of the public hearing will be placed in the local newspaper in advance of each hearing. The Housing Element will also be available for review at the City Hall, the public library, and the local school district.

As a result of the extensive public participation process for the 2000-2005 Housing Element, the City determined that additional discussion was warranted to continue to improve local efforts in making housing affordable. A 2002 Housing Affordability forum was developed to initiate a nine month discussion on housing issues in Pasadena. On June 22, 2002, over 120 persons attended a daylong seminar to identify emerging housing issues. Over the next nine months, the Housing Affordability Task Force will develop recommendations to the City Council for how to address key housing issues in Pasadena in the upcoming years.

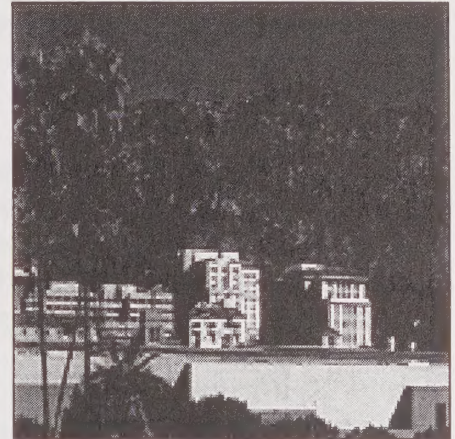
HOUSING NEEDS



HOUSING NEEDS

Pasadena's housing needs are determined in part by the characteristics of the population and the characteristics of the housing stock available to them. The existing housing stock is rarely perfectly suited to all residents, because life situations change and different types of housing are needed at different stages of life.

Ensuring the availability and affordability of housing for Pasadena residents is an important housing goal. As a first step, this section analyzes Pasadena's population, the types and prices of available housing, and the housing options for persons with specialized needs. This analysis provides background for the development of housing programs described in Chapter 5.



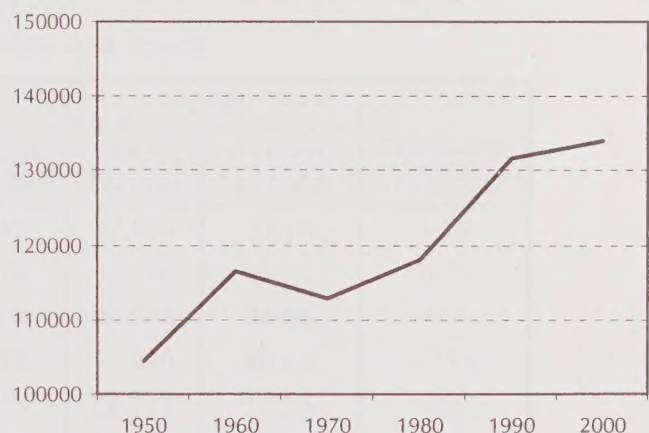
Overlooking Pasadena

A. Population Characteristics

1. Population Trends

Pasadena is the seventh largest city in Los Angeles County and has a population of 133,936 according to the 2000 Census. Over the past 50 years, the City's population has increased at an average of 6% per decade since 1950. During this time, the City's population growth has alternated, with periods of rapid growth followed by periods of modest growth. Only the 1960s saw a decline in the City's population. Since 1990, the City's population has increased by 1.8%.

Chart 2-1
Population Changes



According to the Southern California Association of Governments, Pasadena's population will increase to 160,000 persons by 2015. However, population trends observed by the Census Bureau suggest significantly less population growth. Regardless of the magnitude, however, Pasadena's population will change over time and these changes will result in corresponding housing needs. Therefore, addressing emerging housing needs will be an important priority for years to come.

2. Age Characteristics

Pasadena's housing needs are partially influenced by the age characteristics of residents. Persons of different ages often have different lifestyles, family types, and income levels that affect their preference and ability to afford housing. Moreover, housing needs also change over time as people age. As a result, evaluating changes in the age groups in a community can provide insight into changing housing needs in Pasadena.

As noted earlier, Pasadena's population increased by a modest 1.8% or about 2,300 persons over the 1990s. Despite modest population growth, however, the median age of residents increased significantly, from 32.7 to 34.5 years as shown below in **Chart 2-2**. The increase in the median age resulted from a 25% increase in the number of middle age adults and a decline in college age residents. Continuing a trend beginning in the early 1980s, the number of seniors 65 years and older declined by 6% over the 1990s.

Population age has a measurable impact upon the type of housing need. For instance, young adults are just beginning their careers, have limited income, and therefore look for apartments, condominiums, and other affordable housing opportunities. As adults age, they become more settled in their careers and begin to purchase larger homes for their families. However, as adults approach senior years, they may begin to consider trading down larger homes for a smaller home which is either more affordable or easier to maintain. Providing a range of housing types in Pasadena allows individuals of all ages to find appropriate housing.

Chart 2-2
Age Characteristics and Trends

Age Group	1990		2000		Percentage Change
	No. of Persons	Percent of Total	No. of Persons	Percent of Total	
0-17 (children)	28,983	22.0%	30,956	23.1%	+7%
18-24 (college)	15,038	11.4%	12,470	9.3%	-17%
25-44 (adults)	48,124	36.6%	46,748	34.9%	-3%
45-64 (middle age)	22,108	16.8%	27,540	20.6%	+25%
65+ (seniors)	<u>17,338</u>	<u>13.2%</u>	<u>16,222</u>	<u>12.1%</u>	-6%
Total	131,591	100%	133,936	100%	1.8%
Median Age (years)	32.7 years		34.5 years		

Source: U.S. Census, 1990 and 2000.

3. Race and Ethnicity

Pasadena, like many other communities in southern California, continues to experience gradual changes in the mix of race and ethnicity of its residents. Over the past decades, Pasadena has become more racially and ethnically balanced, where no single group is an absolute majority. This section provides an overview of race and ethnic change in Pasadena, while later sections discuss correlating income characteristics that affect housing opportunity.

Despite this modest change in total population, a significant change occurred in the race-ethnicity of residents. Whites and African Americans declined in numbers, by 15% and 20%, respectively over the past decade. Meanwhile, Asian-Americans and Hispanics increased in number by 31% and 25% respectively. Approximately 3% of Pasadena's residents reported under as having a multi-racial background, which is a new category in the 2000 Census.

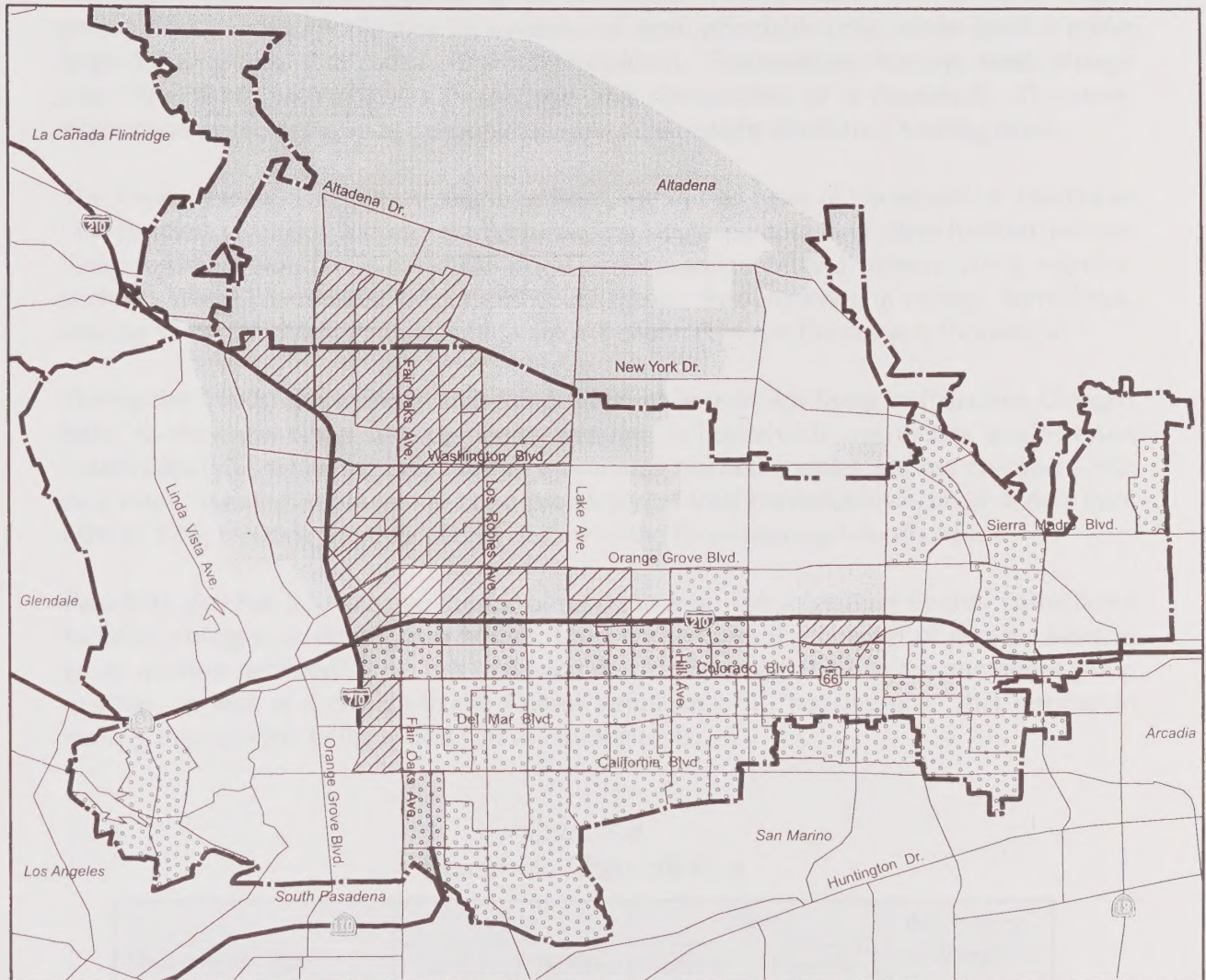
Although Pasadena has gradually become more integrated, some areas still have a concentration of minority residents. One definition of a "concentration" is when persons of one race and ethnic group in a neighborhood comprise a higher proportion of that neighborhood than their overall proportion of the population countywide. Under this definition, African Americans and Hispanics are concentrated in Northwest Pasadena. Whites are the majority in all other areas. Asians are more concentrated in southern Pasadena.

As shown in later sections, the concentration of different race and ethnic groups in various neighborhoods of Pasadena is associated with various factors, including the cost of housing, the average income levels of a household, and the availability of assisted housing. **Chart 2-3** summarizes and **Figure 1** shows race-ethnic characteristics in Pasadena.

Chart 2-3
Race and Ethnic Change

Race/Ethnicity	1990		2000		Percent Change in Number
	No. of Persons	Percent of Total	No. of Persons	Percent of Total	
White	61,325	47%	52,381	39%	-15%
Hispanic of any race	35,912	27%	44,734	33%	+25%
African-American	23,391	18%	18,711	14%	-20%
Asian-American	10,171	8%	13,357	10%	+31%
Some other race	792	1%	626	<1%	-0%-
Two or more races	n.a.	n.a.	4,127	3%	n.a.
Total	131,591	100%	133,936	100%	1.8%

Source: U.S. Census, 1990 and 2000.



Source: 2000 Census

Legend

--- Pasadena City Boundary

Racial and Ethnic Groups per Block Group (2000 Census)

 **Black/African-American**
Black/African-American concentration greater than Los Angeles County Average (9.8%)

 **Hispanic/Latino**
Hispanic/Latino concentration greater than Los Angeles County Average (44.6%)

 **Asian/Pacific Islander**
Asian/Pacific Islander concentration greater than Los Angeles County Average (12.2%)



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City of Pasadena
Housing Element

Figure 1
**Racial/Ethnic
Concentrations (2000)**

4. Household Type

Housing needs also differ depending on household characteristics. For instance, single-person households typically look for smaller and more affordable units, while families prefer larger housing units that can accommodate children. Furthermore, housing needs change over time along with changes in the size and composition of a household. Therefore, understanding the makeup of the population provides insight into future housing needs.

The Census Bureau categorizes people as living within two types of households -- families or non-families. Families include married couples, single parents, and other related persons living together. Non-families include single-persons and unrelated persons living together, such as college roommates, or persons doubling up. Persons living in college dormitories, nursing homes, and other group settings are not counted by the Census as a "household."

During the 1990s, the number and composition of households living in Pasadena changed little. As shown in **Chart 2-4**, the largest increase in households was among single-person households (9%), while the only decline was among married couples without children (-2%). As a result, the number of families as a proportion of total households declined slightly from 60% to 57%, resulting in no significant decline in the City's average household size.

Pasadena also has a substantial number of residents who live in nursing homes, correctional facilities, colleges, or other group homes. Over the decade, the number of persons living in group quarters declined 21%. This trend was due in part to a decline in the number of group quarters, as well as a change in the Census definition of a "housing unit" that resulted in many group quarters being reclassified as housing units.

Chart 2-4
Household Characteristics

Household Type	1990		2000		Percentage Change
	Number	Percent	Number	Percent	
Population	131,591	--	133,396	--	
In Group Quarters	4,479	--	3,518	--	-21%
Total Households	50,199	100%	51,844	100%	+3%
Married with Children	9,864	20%	9,963	19%	+1%
Married No Children	11,619	23%	11,399	22%	-2%
Other Families	8,313	17%	8,496	16%	+2%
Single Persons	16,041	32%	17,460	34%	+9%
All Others	4,362	9%	4,526	9%	+4%
Average Household Size	2.53		2.51		

Source: U.S. Census, 1990 and 2000.

5. Employment

Housing needs are determined by various economic characteristics, such as employment within Pasadena and surrounding communities. To the extent that employees desire to live near work, the type of occupation and associated earnings are related to the demand for different types and prices of housing. This section describes the types of jobs available in Pasadena, the types of occupations held by residents, and their income.

Like many southern California communities, Pasadena's job base restructured over the 1990s, with the total number of jobs declining in the mid 1990s, only to increase considerably by 2000. Employment losses were concentrated in two sectors: the construction and manufacturing sectors. These losses were slightly offset by increases in wholesale/retail trade, finance, insurance, and real estate, business services, and others.

Today, Pasadena offers a diversified economy comprised of approximately 97,400 jobs, not including self-employed persons or those not covered by employer insurance. As shown in **Chart 2-5**, the largest sectors are "Wholesale-Retail" trade, and "all other services." The next largest sectors are professional services of "engineering, accounting, research and management" followed by "finance/real estate/insurance" and "business services."

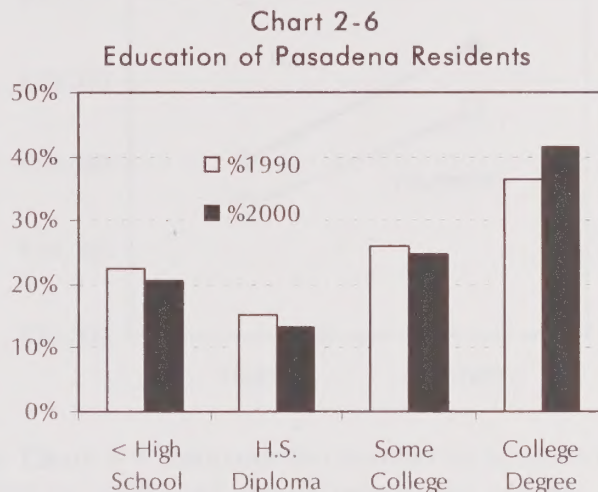
Chart 2-5
Employment Trends in Pasadena

Major Industries	Average Employment (# Jobs)			
	1991	Percent of Total	2000	Percent of Total
Construction	4,692	4.9%	2,996	3.1%
Manufacturing	6,828	7.1%	2,957	3.0%
Transportation, Communications, Public Utilities	2,947	3.0%	2,995	3.0%
Wholesale and Retail Trade	17,369	18.2%	19,261	19.8%
Finance, Insurance and Real Estate	9,293	9.7%	10,659	10.9%
Health Services	9,844	10.3%	11,155	11.5%
Educational and Social Services	8,605	9.0%	8,456	8.7%
Engineer, Acct. Research, Mgmt	11,788	12.3%	11,486	11.8%
Business Services	4,308	4.5%	11,743	12.1%
All Others	19,927	20.8%	15,695	16.1%
<i>Total</i>	95,601	100%	97,403	100%

Source: Employment Development Department, 2000

Pasadena is known for its position as a major leader in education, being home to Caltech, Pasadena Community College, Art Center College of Design, and Fuller Theological Seminary, among other schools. Businesses in the City are regional employers, with a robust employment base of 97,000 jobs as of 2000. Education and employment are tied to housing needs since the ability to afford housing is related to household income.

The educational level of Pasadena residents has significantly improved over the 1990s. In both 1990 and 2000, the share of persons over age 25 with no high school degree was 22% (**Chart 2-6**). However, the share of persons with only a high school degree declined from 15% to 13% of residents. As of 2000, 25% of Pasadena residents has completed some college work, and over 41% held a college degree. This is significantly higher than countywide rates, of which 25% of county residents held a college degree.



The education of residents is also reflected to some degree in their employment status. **Chart 2-7** lists the major occupations and average salaries of jobs held by Pasadena residents. Approximately 40% of Pasadena's residents are employed in the highest paying positions paying at least \$60,000, 22% are employed in middle-level positions earning in the \$30,000-\$40,000s, and 38% are employed in positions earning less than \$20,000 annually.

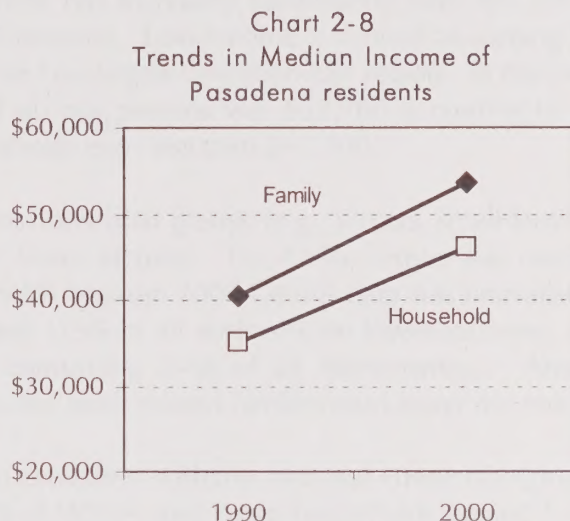
Chart 2-7
Occupation and Wage Levels of Pasadena Residents

Type of Occupation	1990		Average Salary
	Number	Percent	
Professional Specialty	14,346	22%	\$66,500
Executive, Administrative, Managerial	10,838	17%	\$60,000
Technicians and related support	2,892	4%	\$39,700
Sales	14,700	11%	\$32,600
Administrative Support	10,402	16%	\$28,900
Service Occupations	8,466	13%	\$18,000
Precision, Production, Craft and Repair	4,736	7%	\$42,200
Operators, Fabricators, and Laborers	5,807	9%	\$19,100

Source: 1990 Census; National Compensation Survey

6. Household Income

Chart 2-8 highlights the median income of Pasadena households by type of family. According to the 1990 Census, the median income was approximately \$35,100 among all households and slightly higher at \$40,400 among families. By 2000, however, the median household income increased to approximately \$46,000, and family income increased to \$53,600. Relative to the County, the City's household and family income increased much faster, increasing by 31% versus a corresponding increase of about 20% countywide.



Census 2000 data illustrate the reason for the increase in Pasadena's median income. **Chart 2-9** compares the number of households falling in various income groups from 1990 to 2000. As shown below, the number of households in every income category below \$50,000 significantly declined in number. Part of this change is attributable to normal inflation, which increases the incomes of all households including those in lower-income categories. However, not all the observed changes can be attributed to inflation. For instance, the number of households in the highest income brackets increased at the fastest rate.

Chart 2-9
Household Income Distribution

Income Category	Number of Households		Change in Number	Percent Change
	1990	2000		
< \$15,000	10,479	8,454	-2,025	-19%
\$15,000 to \$24,999	7,466	5,649	-1,817	-24%
\$25,000 to \$34,999	7,189	5,966	-1,223	17%
\$35,000 to \$49,999	8,303	7,446	-857	-10%
\$50,000 to \$74,999	8,109	8,648	+539	7%
\$75,000 to \$99,999	3,770	5,501	+1,731	32%
\$100,000 to \$149,999	2,974	5,379	+2,405	81%
\$150,000 and up	2,119	4,766	+2,647	125%
Total	50,409	51,809	---	---

Source: U.S. Census, 1990 and 2000.

Income by Household Characteristic

Although the City's median household income has increased significantly over the 1990s, many individuals and families still earn lower incomes. Low income is defined as earning less than 80% of the median family income for the Los Angeles metropolitan region. In the area, the median family income for a household of four persons was \$52,100 according to the 2000 Census; therefore, lower-income households earn less than \$41,700.

Chart 2-10 details the percentage of different household groups (e.g., seniors, small families, large families, and other families) who earn lower income. The 1990 Census was used to understand patterns in lower-income households because 2000 Census data was unavailable. According to the 1990 Census, 14,591 renters (55% of all renters) earn lower-incomes, and 5,740 homeowners earn lower incomes, comprising 24% of all homeowners. Among homeowners, a substantial portion of seniors and small related families earn lower income.

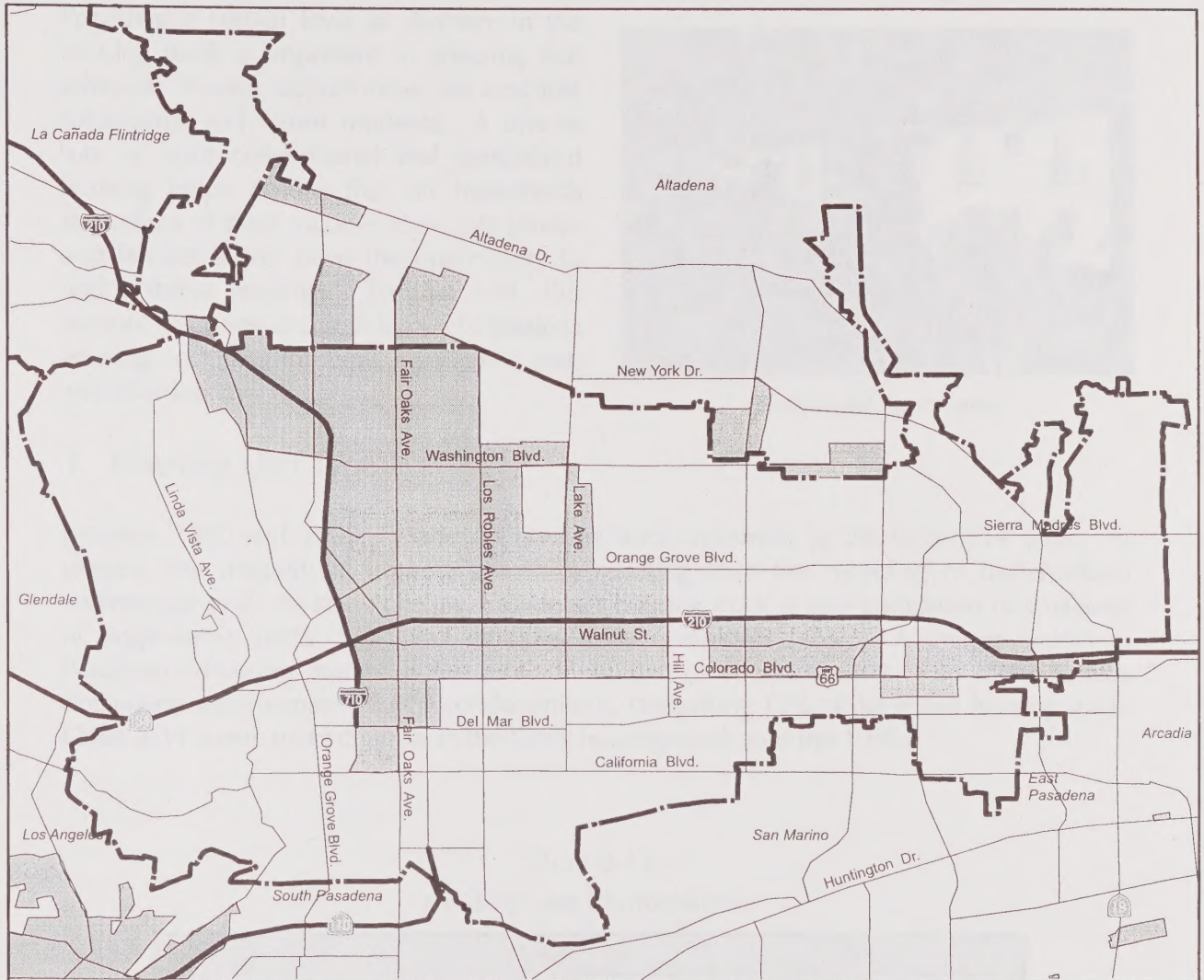
The prevalence of lower-income levels is also correlated with the race and ethnic background of the householder. For instance, only 32% of Whites and Asian households earned lower incomes versus 55% of African Americans and 60% of Hispanics. Given the limited housing opportunities in Pasadena, Hispanics and African Americans would thus be expected to be more likely to overpay for housing or live in overcrowded units than other groups.

Chart 2-10
Lower Income Households in Pasadena

Household Type	Renters		Homeowners	
	Number of Lower-Income Households	Percent of hhld. type which is lower Income	Number of Lower-Income Households	Percent of hhld. type which is lower Income
Seniors	3,214	74.5%	2,879	44.3%
Small Related	4,889	52.0%	1,279	12.7%
Large-Related	2,434	72.6%	940	33.1%
All Others	4,414	44.8%	642	15.8%
Total	14,951	55.5%	5,740	24.4%

Source: Comprehensive Affordable Housing Strategy, 1993.

Lower income households are also concentrated within certain neighborhoods of Pasadena. According to the federal government, a "lower income" neighborhood is one in which over half of all households earn less than \$41,700. 1990 Census data show that the City's "lower-income" blocks encompass Northwest Pasadena and a narrow strip running parallel to the I-210 Freeway southward to Colorado Boulevard (**Figure 2**). These areas also have the highest concentrations of African American, Hispanic, and Native American households.



Source: 1990 Census

Legend

--- Pasadena City Boundary

Low-to-Moderate Income Areas (1990 Census) Households
Greater than 51% Low and Moderate Income Population earning
less than 80% County Median Family Income.

Consistent with Federal HUD definition of Low and Moderate Income .



City of Pasadena
Housing Element

Figure 2
Lower Income Areas

B. Housing Characteristics

Providing a certain level of diversity in the housing stock is important in ensuring that adequate housing opportunities are available for existing and future residents. A diverse mix of both conventional and specialized housing helps ensure that all households (regardless of their income level, age group, and familial status) have the opportunity to find suitable housing. To that end, this section describes characteristics of Pasadena housing, including the type, availability, cost, and affordability.



Holly Street Apartments

1. Housing Unit Type

Between 1990 and 2000, Pasadena's housing stock increased by 2% to 54,114 units. At present, the majority of housing growth is resulting from the recycling of underutilized commercial land. As shown below, Pasadena's housing stock is now comprised of a balance of single-family units (53%) and multiple-family complexes (46%). A unique aspect of Pasadena's housing market is the sizable number of condominiums. The 1990 Census documents approximately 6,000 condominiums, comprising 12% of the entire housing stock. **Chart 2-11** summarizes changes in the City's housing stock over the 1990s.

Chart 2-11
Housing Unit Characteristics

Housing Type	1990		2000	
	Number	Percent	Number	Percent
Single-Family	28,414	54%	28,913	53%
Detached	24,963		24,777	
Attached	3,451		4,136	
Multi-Family	23,835	45%	25,128	46%
2 to 4 units	4,663		4,645	
5 or more units	19,172		20,483	
All Other Units	783	1%	73	<1%
Total	53,032	100%	54,114	100%

Source: U.S. Census, 1990 and 2000.

2. Tenure and Vacancy

Housing vacancies also play an important role in the Pasadena housing market. A certain number of vacant units helps moderate housing costs, allows for sufficient choices for residents, and provides an incentive for unit upkeep and repair. "Optimal" vacancy rates typically range from 1.5% to 2% for ownership units and 5% to 6% for rental units. Vacancy levels that are "below optimal" indicate a shortage in housing and lead to escalation in housing prices, while excess vacancies lead to a depression in housing prices.

Chart 2-12 illustrates changes in the homeownership and vacancy rate from the 1990 and 2000 censuses. Over the 1990s, the homeownership rate remained stable at 46% despite an increase in housing prices. However, the vacancy rate significantly declined. Among rental units, the vacancy rate declined significantly to only 2.9%; ownership vacancies declined modestly to 1.4%. As of 2000, the rental vacancies are below "optimal," increasing the chance for price escalation among apartments, as discussed later.

Chart 2-12
Tenure and Vacancies

Housing Occupancy	Proportion of Units	
	1990	2000
Tenure		
-- Renters	54%	54%
-- Owners	46%	46%
Vacancy		
-- Renters	4.9%	2.9%
-- Owners	2.0%	1.4%

Source: U.S. Census, 1990 and 2000.

Although the homeownership rate remained at 46% over the 1990s, the composition of homeowners changed. As shown in **Chart 2-13**, homeowners generally became older over the decade. As prices have increased for housing, only adults well positioned in their careers can afford to purchase a home. Over the 1990s, the homeownership rates remained basically stable, with Whites having the highest rates (55%), followed by Asians (44%), Hispanics (34%), and African Americans (33%). It should be noted that the decline in Asian homeownership rate is due to an influx of younger renters, not a decline in the number of Asian homeowners.

Chart 2-13
Homeownership Rate

Age/Race of Hhlder	Homeowners		Percent Change
	1990	2000	
< 35	3,323	2,661	-20%
35-54	9,471	10,623	12%
55+	<u>10,433</u>	<u>10,451</u>	-0-
Total	23,227	23,735	--
White	54%	55%	--
Black	32%	33%	--
Asian	51%	44%	--
Hispanic	33%	34%	--

Source: U.S. Census, 1990 and 2000.

3. Housing Age and Condition

Maintaining the quality of housing and neighborhoods is an important goal for Pasadena. Like any other tangible asset, housing may deteriorate over time. Housing that is allowed to deteriorate will lower the value of that home, depress the values of adjacent homes, and eventually impact the quality of life in a neighborhood. Thus, it is important to carefully monitor changes in the quality of housing to determine where reinvestment is needed.

Pasadena has a wide mix of housing types built during different periods of time. **Chart 2-14** shows the distribution of housing units by the decade the structure was built. As shown, 28% of the housing stock was built in the last 30 years or since 1970. Forty-two percent (42%) of the housing stock was built 30 to 60 years ago (1940 through 1969). And the remaining 30% of the City's housing was built before 1940.

Housing maintenance and repair needs often vary by the age of the home. During the first 30 years, homes typically require minor painting, landscaping, and other preventive maintenance. Thirty years is typically the point where painting, stucco, repair of appliances, and other minor repairs are needed to maintain the quality of housing. Structures older than 50 or 60 years typically require upgrades in plumbing, electrical, heating, and other major components or lead-based paint removal to bring the property up to current health and safety standards.

Although the housing stock in Pasadena is comprised of a significant number of older structures, many are in relatively good condition. The good condition of much of the older housing stock is due in part to the City's emphasis on historical preservation. Since 1969, the City has formally recognized the benefits of preserving historic sites and structures and has designated forty-seven sites and structures as landmarks. Over 1,000 properties are listed in the National Register of Historic Places, and many historic homes are in good condition.

Pasadena also had two local landmark districts: Bungalow Heaven and the Garfield Heights district -- which are primarily residential in nature. Bungalow Heaven contains approximately 1,100 housing units, and Garfield Heights contains approximately 500 housing units. Moreover, the City also has six national historic districts, including a historic overlay district covering much of the downtown area. Because of the extensive inventory of historic homes, Pasadena has a historic preservation program. Chapter 5, the Housing Plan, describes three programs to encourage the rehabilitation, improvement, and preservation of historic homes.

Chart 2-14
Decade Housing Was Built

Decade	Number of Units	Percent of Units
1990s	2,533	5%
1980s	4,950	9%
1970s	7,564	14%
1960s	7,489	14%
1940-1960	15,359	28%
Pre 1940s	16,219	30%
Total	54,114	100%

Source: U.S. Census, 2000.

Substandard Housing

As an older urban community, a number of homes in Pasadena are substandard. Rehabilitating substandard housing is an important goal in Pasadena as a means to curb the spread of blighting neighborhood conditions and preserve the quality of neighborhoods. To document the number of substandard homes, local estimates can be combined with 1990 Census information to obtain a general estimate of the number of substandard units.

To ensure that single- and multi-family homes are maintained properly, the City implements a comprehensive housing inspection program. The Quadrennial Inspection program requires that all multi-family rental units be inspected every four years. The Occupancy program requires that all ownership homes be inspected upon change of ownership. If the inspection finds any deficiencies, they must be corrected before a Certificate of Occupancy is granted. These inspections provide the City with an estimate of housing units that are substandard.

Approximately 6,000 homes are inspected on an annual basis under the Occupancy and Quadrennial Inspection programs. In 2001, the City filed and recorded a "Substandard" filing on 11 properties (33 units) with the County of Los Angeles. They are properties with violations that the owners would not resolve, despite repeated efforts by Code Compliance. With the recorded "substandard" designation, the future sale, new occupancy, and other options are blocked until the owner resolves the violations.

Chart 2-15 summarizes the number of units with substandard housing conditions. To estimate the number of substandard homes, Code Enforcement staff found that 5.5 of every 1,000 homes were issued a substandard filing. With a housing stock of 54,000 units in Pasadena, and assuming a straight line extrapolation, 297 units are estimated to be substandard. As further corroboration, the U.S. Census also provides estimates of substandard units, defined as having incomplete facilities or being boarded up. However, the majority of these homes are successfully repaired.

Chart 2-15
Indicators of Substandard Housing

Housing Condition Indicators	Number of Units
Incomplete Plumbing*	407
No Sewer	249
No Vented Heating	535
Incomplete Kitchen*	565
No Telephone*	614
Substandard Housing	327
Boarded Up	98

Source: U.S. Census, 1990 and 2000.*

In some cases, more comprehensive efforts are needed to address neighborhood conditions. The City's Neighborhood Revitalization Program (NRP) focuses on housing rehabilitation, property maintenance, beautification, traffic safety, crime reduction, and overall improvement of the neighborhood. The City orchestrates a multi-departmental effort, in collaboration with residents and community groups, to target a neighborhood. During the 1990s, the program targeted three areas in Pasadena: 1) Lincoln Triangle, 2) Villa Parke, and 3) North Madison. The Washington Area is the fourth to be targeted for the NRP Program.

4. Housing Costs

Prices for ownership and rental housing in Pasadena are directly related to the prevalence of housing problems. If housing costs rise faster than incomes, housing affordability will diminish. As a result, residents may be forced to overpay for housing, live in too small a unit resulting in overcrowding, or relocate to another community. 2000 Census data was used to determine housing costs to maintain consistency with Census 2000 income figures, although it is recognized that housing prices have continued to significantly increase through 2002.

For-Sale Units

The homeownership market in Pasadena has undergone significant changes over the 1990s. After a runup in housing prices during the mid 1980s, the median value of homes was \$281,600 in 1990. Following the real estate crash of the 1990s, single-family homes lost approximately 25% of their values by the mid 1990s. Home values began to increase in 1997 and have escalated in recent years. According to the 2000 Census, the median home value was \$286,400 – or slightly higher than the peak of the market in 1990.

Another measure of the housing market is the actual sales prices of homes. According to Dataquick Services (**Chart 2-16**), 1,600 homes sold in Pasadena during 2001. Two-thirds of all homes sold were single-family homes. Single-family homes sold for a median price of \$320,000 and varied significantly by size of unit. Prices ranged from a median of \$164,000 for a one-bedroom unit to a median of \$800,000 for a five-bedroom unit. Condominiums sold for a median price of \$182,000, with a range of \$121,000 to \$226,000.

Chart 2-16
Median Sales Prices for Housing, 2000

Bedroom Size	Single-Family		Condominiums	
	Units Sold	Median Price	Units Sold	Median Price
1 bdr	31	\$164,000	8	\$121,000
2 bdr	377	\$250,000	357	\$185,000
3 bdr	428	\$332,000	109	\$226,000
4 bdr	148	\$465,000	n.a.	n.a.
5-bdr	71	\$800,000	n.a.	n.a.
Median		\$320,000		\$182,000

Source: Dataquick Real Estate Services, 2000

Variations were also evident by the location of the home. Single-family homes in Zip Code Areas 91106 (south of Colorado Boulevard) and 91105 (Linda Vista) were the most expensive homes in Pasadena. Homes in Zip Code Areas 91103 and 91104 (Northwest Pasadena) were the least expensive. Median prices for condominiums also varied considerably, with the most expensive units found in Linda Vista area and the least expensive found in the Pasadena downtown area.

For-Rent Units

The most comprehensive survey of local apartment rents is conducted each year by Bevin and Brock, a local real estate management firm. The survey is based upon rental rates published in the Star-News on a week-by-week basis. The survey is conducted every March. According to the survey, average rents in Pasadena during 2000 were as follows: \$740 for a one-bedroom unit, \$940 for a two-bedroom unit, and \$1,255 for a three-bedroom unit. Bevin and Brock's survey results are summarized below in **Chart 2-17**.

In recent years, Pasadena has developed a second tier of "luxury" high-end apartments. Homestore.com, an internet advertising site, provided a list of 17 "luxury" complexes. Five of the complexes were built since 1997. For these units, the average rent ranged from \$1,284 for a one-bedroom unit, \$1,579 for a two-bedroom unit, and \$1,780 for a three-bedroom unit. This translates into an average of \$1.60 per square foot of space.

Regardless of the age of complex, apartment rents vary considerably throughout Pasadena. For instance, apartment units in Northwest and Northeast Pasadena are significantly less expensive than apartments in other areas of Pasadena. Apartment rents in Southwest and Southeast Pasadena generally command higher rents ranging from 40% to 65% higher. This fact underscores the complexity of Pasadena's rental housing market.

Chart 2-17
Median Rents for Housing, 2000

Bedroom Size	Average Citywide	Average Rents			
		North West	North East	South East	South West
0 bdr	--	--	--	---	---
1 bdr	\$740	\$622	\$656	\$887	\$796
2 bdr	\$940	\$721	\$782	\$1,196	\$1,064
3 bdr	\$1,255	\$1,015	\$1,133	\$1,403	\$1,472
Median		n.a.	n.a.	n.a.	n.a.

Source: Bevin & Brock Survey, 2000

5. Housing Affordability

An important indicator of quality of life in a community is the ability to afford a home. Housing affordability can be inferred by comparing the cost of renting or owning a home in Pasadena with the maximum amount that households of different income levels could pay for housing. As a result, it is possible to evaluate who is able to afford housing and those who would most likely be forced to pay too much for housing or live in too small a unit.

Chart 2-18 below shows the annual income for households of different income levels and the *maximum* amount that could be paid for housing. This analysis assumes that the maximum affordable payment does not exceed 30% of gross household income, although rental agencies and lenders will often accept a higher level of payment. Standard City averages for utilities (e.g., gas, water, electricity), property taxes, and insurance are also included.

Chart 2-18
Housing Affordability Matrix

Income Group	Income Range	Taxes and Insurance	Utilities	Maximum Affordable Price	
				Sales Price	Maximum Rent
Very Low					
One Person	Less than \$18,250	200	75	Less than \$29,000	Less than \$381
Small Family	Less than \$23,450	200	125	Less than \$42,000	Less than \$461
Large Family	Less than \$28,450	200	175	Less than \$52,000	Less than \$529
Low					
One Person	\$18,250 - \$29,200	250	75	\$29,000 - \$64,000	\$381 - \$655
Small Family	\$23,450 - \$37,500	250	125	\$42,000 - \$89,000	\$461 - \$813
Large Family	\$28,450 - \$45,000	250	175	\$52,000 - \$111,000	\$529 - \$950
Moderate					
One Person	\$29,200 - \$43,750	300	75	\$64,000 - \$114,000	\$655 - \$1,019
Small Family	\$37,500 - \$56,250	300	125	\$89,000 - \$156,000	\$813 - \$1,281
Large Family	\$45,000 - \$67,500	300	175	\$111,000 - \$192,000	\$950 - \$1,513

Notations: Income limits are calculated as of 2000 to match sales and rent survey

1. Small Family = 3 persons; Large Families = 5 or more persons
2. Monthly affordable rent based upon payments of no more than 30% of household income including an allowance for utilities
3. Affordable home price is based on down payment of 10%, annual interest of 7.5%, a 30-year mortgage, standard property taxes and insurance, and monthly payment of 30% of gross income.

Affordability by Household Income

By comparing the median prices for single-family homes, condominiums, and apartments with the maximum payment that can be afforded by households of different income levels, it is possible to determine the (mis)match between household income and housing costs.

- **Lower-Income Households.** Lower-income households consist of two groups, very low and low income households. Very low income households report earnings between \$18,250 and \$28,150. Lower-income persons report higher income up to \$45,000. As shown previously, the *maximum* affordable home price is \$52,000 for a very low income family and \$111,000 for a low income family. However, because the median price was \$320,000 for a single-family home and \$182,000 for a condominium, lower-income households could not afford to purchase a home.

During 2000, average apartment rents in Pasadena were as follows: \$740 for a one-bedroom unit, \$940 for a two-bedroom unit, and \$1,255 for a three-bedroom unit. After deductions for utilities are taken, however, a very low income household can afford to pay \$381-\$529 in rent per month. In practical terms, a very low income household could not afford an adequately sized apartment without significant overpayment and doubling up with other roommates.

Based upon the rent and utility levels mentioned earlier, a low income household could afford to pay \$655 to \$950 in rent per month, depending on the family's size. In practical terms, a 1-person household and small family could not afford a one or two bedroom apartment, unless it was located in Northwest and Northeast Pasadena. However, a large family could not afford the average three-bedroom unit in Pasadena without overcrowding, as discussed later.

- **Moderate-Income.** Moderate households in Pasadena earned 80% to 120% of the County median family income, translating into \$43,750 to \$67,500 depending upon the size of the family. The maximum affordable home price for a moderate income household ranged up to \$199,000. Because the median price of an existing home in Pasadena was \$320,000 in 2000, moderate income households could also not afford the majority of single-family homes in Pasadena.

However, the City does have a substantial stock of condominiums. In 2000, condominium sales accounted for 30% of all home sales. Condominiums ranged from a median of \$121,000 for a one-bedroom unit to \$185,000 for a two-bedroom unit. Three-bedroom units were priced at an average of \$226,000. Based upon these prices, a moderate income household could not afford the majority of condominiums, unless they provided a higher downpayment than the standard 10%. However, moderate-income households could afford to rent a suitable apartment.

6. Housing Problems

A continuing priority of communities is enhancing or maintaining their quality of life. A key measure of quality of life in a community is the extent of "housing problems." The Department of Housing and Urban Development has developed an existing need statement that details the number of households which are paying too much for housing or are living in overcrowded units. These are defined below:

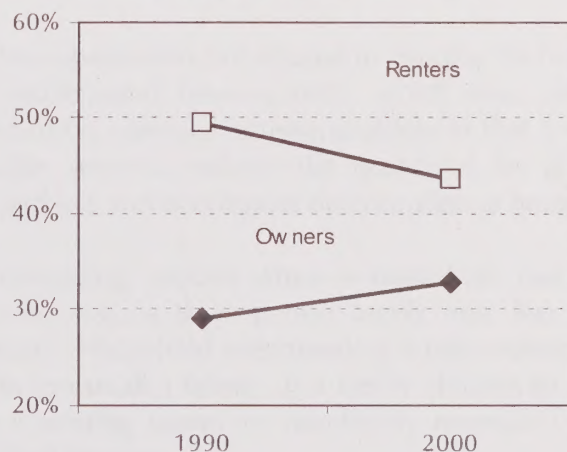
- **Overpayment:** refers to a household paying more than 30% of their gross income for rent (either mortgage or rent), including costs for utilities, property insurance, and real estate taxes as defined by the Federal Government
- **Overcrowding:** refers to a housing unit which is occupied by more than one person per habitable room, excluding kitchens, bathrooms, hallways, and porches, as defined by the Federal Government.
- **Substandard Housing:** refers to a housing unit that has an incomplete kitchen, separate bathroom, or plumbing facilities. The issue of substandard housing was addressed earlier in this Housing Element.

Housing Overpayment

Housing overpayment is an important issue for Pasadena residents. According to the federal government, any household spending more than 30% of income on housing costs, including utility and insurance costs, is considered to pay too much income toward housing costs. Overpaying is an important housing issue, because paying too much for housing leaves less money available for emergency expenditures. However, lenders and rental agents often do not consider a housing cost burden of up to 35% to be considered as overpayment.

According to the 1990 Census, 41% of all Pasadena households overpaid for housing. By 2000, the proportion of households overpaying for housing had declined to 39%. Over the 1990s, the overpayment rate declined from 50% to only 44% among renters, but increased from 29% to 33% among homeowners. The same trends in housing overpayment were also evident countywide. For instance, the prevalence of overpayment increased among home owners to 35%, while the overpayment rate among renters declined slightly to 46%.

Chart 2-17
Housing Overpayment Rate



Changes in the prevalence of overpayment could be due to a number of factors. Among homeowners, lenders routinely accept a higher cost burden threshold than the federal standard of 30% and thus more people will “overpay” for housing. Secondly, the high cost of single-family homes in Pasadena means that wealthier persons can spend more on housing because of their higher disposable income. For rentals, the declining prevalence of overpayment is due in part to increasing household incomes in Pasadena and the construction of high-end apartments which have attracted higher-income residents.

The Comprehensive Housing Affordability Strategy (CHAS, 1993) shows the pattern of overpayment among Pasadena residents by household type, householder age, and income. The CHAS is the most recent available information. As displayed in **Chart 2-20** the prevalence of overpayment among homeowners varies little, except for seniors. However, 47% of lower-income households overpay for housing. In contrast, a significantly higher proportion of renters overpay for housing. Most notably, 72% of all lower-income renters overpay for housing.

Chart 2-20
Housing Overpaying Profile

Household Type	Owners		Renters	
	Hhlds. Over-paying	% of Total	Hhlds. Over-paying	% of Total
Seniors	1,223	19%	2,684	62%
Small Families	3,006	30%	3,897	41%
Large Families	893	31%	1,729	52%
Others	1,713	42%	4,152	42%
Total	---	29%	---	46%
Lower Income	2,670	47%	10,796	72%

Source: Comprehensive Housing Affordability Strategy, 1993.

Notations:

1. Seniors have a householder who is age 62 years and older
2. Small Families have two to four members
3. Large families have 5 or more members

Housing Overcrowding

In response to high housing prices, some households may not choose to overpay for housing. Instead, these households may accept smaller-sized housing units, which may result in overcrowding. Overcrowding is considered to be a serious housing problem in that it strains physical facilities and the delivery of public services, reduces the quality of the physical environment, contributes to a shortage of parking, and accelerates deterioration of homes.

According to the Census Bureau, “overcrowding” occurs when a household has more members than habitable rooms in a home (e.g., a three-person family may live in an apartment with a bedroom and a living room). Household overcrowding is often reflective of several living situations: 1) a family lives in too small a home; 2) a family chooses to house extended family members; 3) a family is renting rooms to non-family members; or 4) unrelated individuals are doubling up to afford housing.

Over the 1990s, the prevalence of overcrowding increased slightly, from 13.1% in 1990 to 15.1% in 2000. Clearly, the escalation in housing prices in recent years has resulted in higher cost burdens for households, which may be mitigated by persons doubling up. According to the 1990 Census, 7% of homeowners and 18% of renter households lived in overcrowded conditions. The Census has not released overcrowding data, by tenure, for year 2000. Therefore the CHAS is used to infer patterns.

The CHAS shows the pattern of overcrowding among Pasadena residents by household type, householder age, and income. (Chart 2-21). For homeowners and renters, the number of households living in overcrowded conditions was greatest for large families and small families. The very high rate of overcrowding among large family renters is due in part to the shortage of three-bedroom rentals which are affordable. The prevalence of overcrowding is also highest among lower-income owners (12%) and renters (25%).

Chart 2-21
Housing Overcrowding Profile

Household Type	Owners		Renters	
	No. Hhlds Over-Crowded	% of Hhld Type	No. Hhlds Over-Crowded	% of Hhld Type
Seniors	6	0%	42	1%
Small Families	433	4%	1,897	20%
Large Families	1,126	40%	2,643	79%
Others	8	0%	214	2%
Total	1,573	7%	4,796	18%
Lower Income	669	12%	3,674	25%

Source: Comprehensive Housing Affordability Strategy, 1993.

Notations:

1. Seniors have a householder who is age 62 years and older
2. Small Families have two to four members
3. Large families have 5 or more members

Differences by Area of Pasadena

Household overcrowding and overpayment are concentrated in areas of Pasadena where there are a higher concentration of minorities, lower income households, and renters. For instance, in 1990 (the most recent data available), the prevalence of overcrowding is highest in the West-Central neighborhood (32%) and Northwest Pasadena (29%). Housing overpayment was highest in the Northwest, North Central and West Central neighborhoods, where over 50% of renters overpaid for housing. Among more affluent Linda Vista, Hastings Ranch, and southern parts of Pasadena, less than one-third of households were overpaying.

7. Regional Housing Needs

California law requires that each city and county, when preparing its State-mandated Housing Element, develop local housing programs to meet its “fair share” of existing and future housing needs for all income groups. This “fair share” concept seeks to ensure that each jurisdiction, to the extent feasible and appropriate, provides housing for its resident population, and those households who might reasonably be expected to reside within the jurisdiction, with a variety of housing accommodations appropriate to their needs.

In the six-county southern California region, the agency responsible for assigning “fair share” targets to each community is the Southern California Association of Governments (SCAG). SCAG calculates the amount of housing needed within a community during the Housing Element cycle, which is 1998-2005. Jurisdictions are then required to develop policies and programs to encourage and facilitate the development of housing commensurate with that need. This process is called the Regional Housing Needs Allocation.

The regional fair share allocation process begins with the State Department of Finance’s projection of Statewide housing demand for the planning period, which is then apportioned by the State Department of Housing and Community Development (HCD) among each of the State’s official regions. Councils of Government, such as SCAG, are then responsible to further allocate their assigned regional share among its member jurisdictions. At the same time, SCAG is developing local projections which must be reconciled with HCD.

SCAG’s local RHNA process begins with making local projections of population growth that will indicate the basic amount of housing needed from 1998-2005. In addition to basic housing need, SCAG also considers the mobility and vacancy rate of the jurisdiction to ensure that a sufficient number of units are available to moderate prices in the housing market. Finally, SCAG also develops factors in the model to replace the number of units that are normally lost to demolitions, conversions, or other losses of units due to natural disaster.

Once basic housing need is calculated for the region and the each community, and that total is reconciled with projections received by HCD, SCAG must also consider various planning factors in allocating the units among communities throughout the region. According to Section 65584 of the Government Code, these planning considerations include the following:

- Market demand for housing
- Employment opportunities
- Availability of suitable sites and public facilities
- Commuting patterns
- Type and tenure of housing
- Loss of units in assisted housing developments
- Over-concentration of lower income households
- Geological and topographical constraints

The last component of the Regional Housing Needs Allocation is the fair share adjustment. As background, State law requires Councils of Government to reduce the overconcentration of lower-income households in jurisdictions that already have a disproportionate high concentration of such households. SCAG's fair adjustment seeks to ensure an appropriate level of income diversity within and between communities, while at the same time ensuring that jurisdictions contribute to addressing the region's need for affordable housing.

To that end, SCAG has developed a fair share allocation process for the RHNA. In summary, SCAG's "fair share" adjustment was designed to encourage jurisdictions to achieve a proportion of lower-income households that falls within an acceptable "diversity band" which is defined as ten percentage points on either side of the regional average proportion of lower-income households (i.e., 39%). Based on this average, SCAG categorizes communities into three groups: low, average and high impactation.

- Nonimpacted jurisdictions are defined as those communities which have less than 29% of their households as lower-income.
- Average impactation jurisdictions are defined as having 29% to 49% of their households earning low income. This includes Pasadena.
- High impactation jurisdictions are defined as communities having more than 49% of their households earning low income.

In assigning the affordability level of production targets, low impactation cities are required to develop policies and programs to encourage a higher share of their units to be affordable to lower-income households than either average or high impactation communities. **Chart 2-22** summarizes the City's final RHNA allocation and each of the respective components.

Chart 2-22
Regional Housing Needs Share
for the City of Pasadena, 1998-2005

Components	Future Needs (units)	Percent of RHNA
Household Growth	1,406	80%
Vacancy Need	-192	-11%
Replacement Need	<u>563</u>	<u>+31%</u>
Total	1,777	100%
Affordability Level		
Very Low	462	26%
Low	284	16%
Moderate	338	19%
Upper	693	39%

Source: Southern California Association of Governments, 2001.

C. Special Housing Needs

Certain individuals and families in Pasadena may have more difficulty finding decent and affordable housing or receiving fair housing treatment due to special circumstances. These circumstances may relate to employment and income, family type and characteristics, disability, or various other household characteristics. In Pasadena, special need groups include seniors, disabled persons, families with children, college students, homeless persons, children leaving the foster care system, and other groups. This section describes and analyzes special housing needs in Pasadena.



In recognition that people in different walks of life have different housing needs, State and federal housing laws are designed to encourage the provision of a full continuum of housing. These laws are designed to ensure that no group is excluded from living in a community because of their special need status. **Chart 2-23** summarizes and the following discussion describes the magnitude of special needs groups in Pasadena. Chapter 4 describes several housing projects underway to meet special housing needs. Chapter 5, the Housing Plan, describes programs that are implemented to address the needs of each special group.

Chart 2-23
Special Housing Needs

Special Needs Group	1990		2000	
	Number	Percent of Total	Number	Percent of Total
Senior Households ⁽¹⁾	10,613	21%	9,914	19%
Persons with a Disability ⁽¹⁾	--	--	25,076	20%
Families - Single-Parents ⁽¹⁾	4,639	9%	4,093	8%
Families - Large Households ⁽¹⁾	,		,	
College Students	5,		,5	
Homeless Persons ⁽²⁾	1,017	<1%	873	<1%
Children Leaving Foster Care ⁽³⁾	--	--	~100	<1%

Source:

1. U.S. Census, 1990 and 2000.
2. Consolidated Plan, 2000-2005
3. Los Angeles County Department of Social Services

1. Senior Citizens

Senior citizens are considered a special needs group, because limited income, higher health costs, and disabilities make it more difficult to find suitable and affordable housing. Senior households are defined as having a householder who is 65 years or older.

Over the 1990s, the number of seniors in Pasadena declined to 16,222 persons (9,914 households) by 2000. Of that total, 3,527 rent housing and 6,387 own housing. Seniors live in a variety of settings depending upon their income and/or disability status. Regardless of the magnitude, seniors have the following housing needs.



- **Disabilities.** Approximately 30% of seniors have a self-care or mobility limitation that makes it difficult to go outside the home or take care of personal needs.
- **Limited Income.** Over 50% of senior households earn low income (e.g., defined as \$15,000 for a single person) due to their limited fixed income retirement.
- **Overpayment.** About 1/3 of senior households overpay for housing, half of which spend more than 50% of their income for housing costs.

The City provides a considerable number of affordable housing options for seniors. For renters, approximately 1,100 units in Pasadena receive federal subsidies which require the units to remain affordable to very low-income seniors. In addition, the City provides a preference for disabled persons and seniors for receiving Section 8 rental assistance. According to the Public Housing Agency Plan (2002), Section 8 vouchers are allocated to 457 disabled households and 358 senior households, but many more are on the waiting list.

For senior homeowners, the City Senior Center provides a house-sharing program where seniors can find appropriate roommates to help provide companionship or share housing costs. For senior homeowners, the City's Maintenance Assistance to Senior Homeowners program also provides financial grants to low-income senior or disabled homeowners who are not able to perform deferred maintenance on their owner-occupied, single-family homes. This program is intended to help seniors stay in their homes.

In addition, the City provides a broad array of supportive services to assist seniors in living independent lives. Free transit service is available to residents through Pasadena ARTS bus. The Senior Center also provides a clearinghouse of information on other supportive services available to seniors to meet their housing and lifestyle needs. Lastly, the Pasadena Senior Commission is an appointed commission which plays an active role in defining needs and making recommendations to address in gaps in the service delivery system.

2. Disabled Persons

The American with Disabilities Act defines a disabled person as having a physical or mental impairment that substantially limits one or more major life activities. Disabled persons have special needs in that many earn very low incomes, have higher health costs, and are often dependent on supportive services. Disabled persons also may face discrimination in the housing market, because landlords may be concerned about impacts upon other tenants.

According to the 2000 Census, the City has an estimated 25,000 persons with disabilities. Disabilities fall within several categories: developmental, physical and mental. According to the Lanterman Regional Center, Pasadena has 846 residents with developmental disabilities, which include cerebral palsy, autism, mental retardation and epilepsy. Reliable estimates of persons with physical or mental disabilities are not available nor are estimates of the number of people who are recovering from substance abuse.

The living arrangement of disabled persons depends on the severity of the disability and the available housing. Many persons live at home in an independent fashion or with other family members. To maintain independent living, disabled persons may need rental assistance, special housing design features, and in-home supportive services for persons with medical conditions, among others. For those unable to live in independent settings, specialized care facilities may be an appropriate housing option. As displayed in **Chart 2-24**, Pasadena permits a number of housing types that are suited for persons with disabilities.

Chart 2-24
Housing for the Disabled

Clientele	Type of Home	Classification	Number of Homes	Capacity in Beds
Youth	Family Home ¹	CCF	3	16
	Group Home ¹	CCF	15	90
Adults	Rehabilitation ²	AOD	11	640
	Sober Living ²	AOD	9	132
	Adult Residential ¹	CCF	43	599
Elderly	Elderly Residential ¹	CCF	26	1,551
	Adult Day Care ¹	CCF	8	351
	Skilled Nursing ³	SNF	16	1,224
Total			131	4,603

Source: Various State of California sites

Notations:

1. CCF: State licensed Community Care Facility
2. AOD: State-licensed Alcohol and Drug Rehabilitation facility or sober living home
3. SNF: Skilled nursing facility

3. Families with Children

According to the 2000 Census, Pasadena is currently home to 15,442 families with dependent children under 18 years of age. Of that total, 6,236 were large families with five or more members, of which 3,376 were renters. In addition, 4,093 single-parent families and another 1,200 were subfamilies doubling up with other families lived in the community. Each of these categories of families has special housing needs associated with income, child care, housing availability and costs.

Families with children have the following needs:

- **Limited Income.** According to the Census, the poverty rate was 35% for female-headed families with dependent children versus only 11% for all family households. In addition, 55% of large families earned low-moderate incomes.
- **Child Care Expenses.** According to the Census, the average single-parent household spends 12% to 25% of annual income for day care for preschool childcare. This leaves less income available to pay for housing.
- **Housing Problems.** Because of the shortage and resulting high housing costs, approximately 52% of larger renter families overpaid for housing in 1990 and approximately 79% of large renter families lived in overcrowded conditions.

Part of the reason for higher rates of overpayment and overcrowding among large families is due to the limited availability of suitable housing. Pasadena currently has a shortage of large rental units that could accommodate families with children, particularly large families. According to the 1990 Census, the City has 1,500 apartments with three or more bedrooms that could accommodate large families, but twice as many eligible households. The shortage of housing has resulted in significant increases in housing costs over the past few years.

According to the Housing Rights Center (formerly the San Gabriel Valley Fair Housing Council), the majority of fair housing litigation in recent years has been in regard to families. For instance, single-parent families may encounter unfair treatment in the rental market, if the landlord requires more stringent credit checks, charges higher security deposits, limits the number of children in a complex, or confines children to a specific location. The City's Analysis of Impediments addresses the issue of discrimination in greater depth.

To address these needs, 14 complexes and approximately 750 units of affordable family housing exist in Pasadena. Moreover, 642 Pasadena families who earn very low income are allocated a Section 8 voucher. The City has also assisted 165 low-moderate income families to purchase a home in Pasadena. Despite these resources, however, the need for large family housing far exceeds the availability of suitable housing in Pasadena.

4. College Students

Pasadena is home to a number of educational institutions, including the eighth largest single campus community college (Pasadena City College) in the nation with an enrollment of approximately 26,000. Private colleges include Caltech, Art Center College of Design, and Fuller Theological Seminary which collectively enroll more than 4,000 students each year. According to the 1990 Census, an estimated 15,000 students currently live within Pasadena.



View of Pasadena City College

College students in a community can affect housing demand and housing costs. Although students represent a temporary housing need, the heightened demand for apartments and rentals around local colleges can impact the housing market. Increased demand for rentals maintains higher rents than would otherwise be expected. Students have special housing needs due to limited income and financial resources. Many students attending part-time in community colleges work full-time jobs, while full time students often work less. Students commonly earn lower income and pay more than half their annual income for housing.

Interviews with school officials indicate that private schools currently have a housing shortage. Most of the schools maintain a housing office which refers students to various housing options in the community. Pasadena City College (PCC), however, does not have a housing office. With an estimated 26,000 students, PCC has a significant student population looking for apartments in Pasadena, which impacts the price of rentals particularly around the campus.

Chart 2-25 summarizes the housing conditions for students in Pasadena.

Chart 2-25
Student Housing in Pasadena

Characteristics	Colleges in Pasadena			
	Fuller Theological	California Institute of Technology	Pasadena City College	Art Center College
Enrollment	1,700 graduate 1,275 Full time	1,050 FT grad 850 FT undergrad	26,000 FT/PT undergraduate	1,400
Housing Options -- dormitories -- apartments -- faculty homes	440 apts.	161 dorms 199 apts. 40 homes	Students housed in the community	
Assessment	Waiting list of 200 graduate students	Waiting list of 350 graduate students		

Source: Interviews with colleges representatives, 2002

5. Homeless Persons

The size, diversity, and geographic location in a major population center have made Pasadena home to a sizable homeless population. A 1992 survey conducted by the City of Pasadena estimated that 1,017 persons were homeless on any given night – 4 times higher than in the 1990 Census. An updated City survey counted as many as 873 unduplicated homeless persons during a one-night period.

In the 1999 survey, Pasadena funded a detailed questionnaire to determine the housing and service needs of the homeless. This survey showed that African-Americans comprised the largest percentage of homeless persons (48%), followed by Whites with 27%, Latinos with 19%, and 6% all others. Of particular note, one-third were women – over double the proportion during 1992. Accompanied youth also accounted for 8% of the homeless population.

Homeless persons have a higher prevalence of health needs than housed persons. According to a statewide Needs Assessment conducted by the UCLA Drug Abuse Research Center (1999), 33% of people who are homeless suffer from mental illness, 50% have a current substance problem, and up to 70% will have a substance problem sometime during their life. Homeless people also experience a range of untreated medical and physical conditions associated with the rigors of street life.

Pasadena's strategy for addressing the needs of homeless persons is modeled after HUD's continuum of care system. Under this framework, local nonprofit agencies provide four levels of service to the homeless population: (1) outreach/intake/assessment; (2) emergency shelter; (3) transitional housing; and (4) service-enriched permanent housing. As shown in **Chart 2-26**, Pasadena has 19 facilities providing 646 beds for homeless persons and 221 beds for homeless families with children. However, a significant shortfall exists in emergency and supportive housing beds for homeless adults and for families with children.

Chart 2-26
Homeless Facilities and Services

Type of Facility	For Homeless Adults			For Homeless Families		
	Need for Beds	Available Beds	Gap	Need for Beds	Available Beds	Gap
Emergency Shelters	317	40	277	161	70	91
Transitional Housing	40	38	2	38	29	9
Supportive Housing	<u>289</u>	<u>93</u>	<u>196</u>	<u>22</u>	<u>40</u>	<u>-12</u>
Total	646	171	475	221	139	88

Source: Pasadena Consolidated Plan, 2000.

Emancipated Youth

Emancipated youth refer to children and young adults who are leaving the foster care system. As of December 2000, Pasadena was home to 500 foster care youth living with families in the community, of which approximately 150 are 14 years and older. Children transitioning from the foster care system may not have an adoptive family or other permanent relationship, and without necessary living skills. Less than one in five are completely self-supporting.

The Los Angeles County Department of Social Services is responsible to help youth transition from the foster care system. At age 14, foster children are assigned an independent living coordinator, who is responsible for facilitating a gradual transition from the foster care system when the youth is age 18 or 19. Unless the youth has graduated from school and has gained employment skills, the transition can be particularly difficult. Thus foster youth can benefit from additional transitional living accommodations to ease into mainstream society.

Pasadena Alumni Support Center is a drop-in center in Pasadena for young adult and is jointly operated by the Casey Family Program and the YWCA Foothill-Valley in partnership with a collaboration of social service agencies in Los Angeles County.

D. Affordable Housing

To further fair housing practices in Pasadena, the City provides a range of housing options for persons in all walks of life. Housing opportunities include conventional single-family and multi-family housing. For those with special needs, however, the City also permits a wide range of special needs housing, which was discussed earlier.



Pasadena has numerous conventional housing (e.g., apartments, single-family homes, and condominiums) that have received subsidies from the City, State and federal government. In exchange for public assistance, property owners are required to reserve all or a portion of the units at affordable rents for low and moderate-income households. The length of affordability control depends upon the restrictions placed by the funding program.

In Pasadena, 11 apartments provide 1,091 units that are dedicated solely to occupancy by very low income seniors. Pasadena also has 15 apartment complexes providing 771 units for families that were built with public subsidies. Like other federally-subsidized projects, the housing units are restricted to very low-income families. To help renters transition into homeownership opportunities, the City sponsors five homeownership programs.

Chart 2-27
Summary of Subsidized Housing

Type of Housing	Number of Projects	Number of Units	Target Group
For Rent Units			
-- Apartments	11	1,091	Seniors
-- Apartments	15	771	Families
For Sale Units			
-- Condominiums	n.a.	n.a.	Families
-- Single-Family	n.a.	165	Families

Source: City of Pasadena, 2002

1. Assisted Housing Inventory

Existing housing that receives governmental assistance is one of the largest supplies of affordable housing in many communities. This section identifies publicly assisted rental housing in Pasadena, evaluates the potential to convert to market rates, and analyzes the costs to preserve those units. Organizational and financial resources for preservation or replacement are evaluated in the Housing Resources (Chapter IV), while various housing programs designed to address preservation are included in the Housing Plan (Chapter V).

Chart 2-28 inventories all publicly assisted multi-family rental housing in Pasadena assisted under federal, state, or local programs, including HUD, state/local bond programs, density bonus, and local redevelopment or direct assistance programs. Following Chart 2-28 is an analysis of the assisted housing stock and their potential to convert to market rates.

Chart 2-28
Pasadena Assisted Housing Inventory

Apartment Name/Address	Tenant Type	Asst Units	Mortgage Financing	Mortgage Maturity Earliest Conversion	Section 8 Expires
At-Risk of Conversion					
Green Hotel, 50 E. Green St.	Senior	138	236(j)(1) BMR	2014 1994	Yes 7/30/91
Northwest Manor 1 985 N. Raymond	Family	44	236(j)(1)	2013	Yes
2700 E. Mtn		44	BMR	1993	5/31/00
Pilgrim Tower No. 560 E. Villa St.	Senior	205	236(j)(1) BMR	2015 1995	Yes 10/31/98
Villa Raymond, 455 N. Raymond	Family	61	236(j)(1) BMR	2013 1993	Yes 8/31/99
Villa Yucatan, 2186 E. Villa Street	Family	14	236(j)(1) BMR	2014 1994	Yes 10/31/98
Washington Homes 529 E. Washington	Family	20	236(j)(1) BMR	2013 1993	Yes 1/31/99
Pilgrims Tower East 440 N Madison	Senior	157	236(j)(1) N/A	---- ----	---- ----
Hudson Gardens 1255 N. Hudson	Senior	41	CHFA	2003 Not Applicable	Yes 4/30/03
La Pintoresca, 1275 La Pintoresca	Senior	64	221(d)(3) Market Rate	2020 Not Applicable	Yes 12/12/98
Magnolia Town. 172 N. Raymond	Family	5	221(d)(4) Market Rate	2022 Not Applicable	Yes 9/14/01
Not At-Risk					

Chart 2-28
Pasadena Assisted Housing Inventory

Apartment Name/Address	Tenant Type	Asst Units	Mortgage Financing	Mortgage Earliest Conversion	Maturity	Section 8 Expires
Community Arms, 151 Orange Grove	Family/ Senior	131	236(j)(1) BMR MFR Bond is pending (2002)	2014 1994		Yes 09/30/99
Kings Villages, 72 W. Claremont	Family	313	236(j)(1) BMR LIHTC + RDA	2012 and 1992 now 2032		Yes 9/29/98
Villa Park Homes 422 Raymond	Family	9	RDA/Tax Credit	2019 Not Applicable		N/A
Holly Street 151 Holly Street	Family	75	MHRB, RDA	2024 Not Applicable		N/A
Euclid Villa 154 S. Euclid	Family	15	HOME, RDA; City fee waiver	2025 Not Applicable		N/A
Villa Washington 264 E Washington	Family	21	CHFA, RDA, TC	2025 Not Applicable		N/A
Park Los Robles 628 Los Robles	Family	12	CHFA, RHCP, RDA, TC	2025 Not Applicable		N/A
Villa Los Robles 473 N. Los Robles	Family	8	CHFA, RDA, TC	2022 Not Applicable		N/A
Centennial Place 235 Holly Street	Family	144	SHURP, RDA, TC	2034 Not Applicable		N/A
Crown House 3055 Del Mar	Senior	10	202/811	2027 Not Applicable		10/07
TELACU 42 E. Walnut	Senior	69	202/811 RDA	2038 Not Applicable		N/A
Silvercrest 147 Catalina	Senior	74	202/811;City fee waiver	2030 Not Applicable		03/16
Concord 275 Cordova	Senior	149	202/811	N/A		N/A
Vista Court 64 N Mar Vista	Family	20	Density Bonus	N/A		N/A
Windrose Place 271 Bellevue	Family	27	Tax-Exempt Bonds	N/A		N/A

Source:

HUD Inventory of Section 8 Projects, 1999

California Housing Partnership Corporation, 1999.

California Debt Advisory Commission, 1994

City records on fee waivers and density bonuses

Projects Not At-Risk

Federal NonProfit Projects. Pasadena has assisted multi-family units created under the Section 202/811 program. Under this program, grants are provided to private, non-profit developers of supportive housing for the elderly and/or disabled persons. Pasadena has four projects -- the Crown House, Telacu, Silvercrest, and Concord apartments -- that have been financed under the Section 202/811 program. None of these projects are considered to be at-risk of conversion because their affordability is guaranteed for the life of the contract.

Pasadena has other assisted multi-family units which are not at-risk of conversion. These include nine projects totaling 331 units that were financed through the California Housing Finance Authority (CHFA), redevelopment set-aside funds (RDA), low income tax credits, density bonuses, or other mechanisms. Chart 2-28 lists the major projects financed under these programs. To maintain the inventory, the City is currently working on a database to monitor the status of these projects as they move closer to their mortgage maturity dates.

At-Risk Projects

Federal Section 8 Contracts. During the mid 1970s, Congress created a project-based Section 8 program to encourage the production of affordable multifamily housing. HUD provided a 15-20 year commitment for rental subsidies that assured a level of rental income sufficient to pay debt service and operate the project regardless of the level of tenant payments. HUD then paid the difference between the fair market rent and what the tenant could afford -- typically 30% of income.

Currently, Pasadena has a number of complexes receiving project-based Section 8 rental subsidies. Upon expiration of the Section 8 contract, property owners have various choices. The landlord can take one of four courses of action: (1) renew their contracts at current rents; (2) renew at "market" rents; (3) restructure their debt and subsidies at below market rents, or (4) choose to opt-out of the Section 8 program. If the owner "opts out" of the Section 8 program, the rent subsidy ceases and the tenant can be charged full market rent.

Section 8 units that have *above* fair market rents can participate in the federal Mark-to-Market program. Owners are given favorable tax treatment and debt restructuring in return for the owners maintaining the affordability of the units. For projects renting at *below* fair market rents, HUD's allows rents to be marked up to comparable market rents, not exceeding 150 percent of fair market rents. While all Section 8 projects are at risk once the expiration date is reached, the below-market stock is most likely to be converted.

Prepayment of HUD Insured Mortgage Loans

Section 221(d)(3) – HUD insures FHA-insured mortgages made by private lenders to finance the construction or substantial rehabilitation of multifamily rental housing for moderate-income families. Financing may be obtained by public agencies, nonprofits, cooperatives, private builders, or investors who sell projects to organizations. Section 221 projects financed with below market interest rates have deed restrictions for low income uses. However, after 20 years, property owners can prepay their mortgages and opt out of the affordability controls. Projects can also be financed with market rate loans without deed restrictions.

Section 221(d)(4) – HUD insures mortgages made by private lenders to finance the construction or substantial rehabilitation of multifamily rental housing for moderate-income families. Financing is available only in association with a FHA-insured mortgage. Financing may be obtained by public agencies, nonprofits, cooperatives, private builders, or investors who sell projects to organizations and for profit owners. Projects are financed with market rate loans and thus do not need deed restriction to maintain the affordability of the units. Rather, long-term affordability is maintained through a Section 8 contract.

Section 236(j)(1) – Section 236(j)(1) was also designed to stimulate the production of affordable rental housing. Under this program, developers are offered below-market rate loans, with the stipulation that units are set-aside as affordable for an extended period of time, usually as long as the mortgages are outstanding. After a certain period of time (typically 20 years), the property owner may prepay the mortgage, lift rent controls on the affordable units, and rent the units at market rates. After the 20-year period has expired, property owners can prepay the remaining mortgage loans and re-rent the units subject to notification of all affected tenants 9 months before exercising the opt-out provisions.

Assessment

Pasadena's housing market plays an important role in determining the attractiveness of the opt-out provision. Property owners will consider the difference in market rents that could be received versus the rental payments guaranteed by HUD. Rents have been rising rapidly in Pasadena over the past several years, making it more attractive to consider the opt-out option. However, Pasadena's success in obtaining exception rent has partially minimized the financial benefit of opting out.

Beyond local rent subsidies, property owners will also consider interest rates. Property owners will assess the difference between market interest rates versus the original subsidized interest rates used to finance their housing project. If the difference is minimal, the financial loss to exercise the opt-out option is minimal.

2. Preservation and Replacement Options

Preservation of at-risk assisted multi-family units can be achieved in several ways: 1) facilitate transfer of ownership of the projects to nonprofits; 2) continue the provision of rental assistance to tenants using other funding sources than Section 8 contracts, or (3) replace the existing affordable housing units. An analysis of the merits of each of these three options is provided as follows.

Option #1: Transfer of Ownership

Transferring ownership of existing assisted housing that is at-risk of conversion to non-profit organizations can be an effective method for preserving at-risk housing. Transfer of ownership to a qualified nonprofit organization would secure long-term low-income use of these projects and make them eligible for a greater range of government assistance. The feasibility of this option depends on the willingness of the owner to sell the property, the existence of nonprofit corporations with sufficient administrative capacity to manage the project, and availability of funding. **Chart 2-29** calculates the current market value for at-risk projects based on their potential annual income, operating/maintenance expenses and building condition. The applicable projects include all Section 236(j)(1) and Section 221(d) housing. The assumptions used to make this calculation are detailed below in the chart. Taken together, the market value of the at-risk units is approximately \$32 million.

Chart 2-29
Market Value of At-Risk Projects

Project Units	Average Rents	Average Square Feet	Total
<u>At-Risk Units</u>			
0-bedroom	\$550	500	18 Units
1-bedroom	\$707	600	65 Units
2-bedroom	\$750	750	200 Units
3-bedroom+	\$900	900	162 Units
<u>Market Value</u>			
Annual Operating Cost	Assumptions \$4 per square foot		(\$1,375,000)
Gross Annual Income	\$Rent x 12, + 5% vacancy rate.		\$4,316,000
Net Annual Income			<u>\$2,941,000</u>
Market Value	Annual Net Income x 11 for building in moderate condition		\$32,353,000

Option #2: Continue Rental Assistance

All at-risk projects maintain Section 8 contracts for rental assistance. Availability of funding at the federal level for Section 8 contract renewal is uncertain. If terminated, the City could provide rent subsidies to maintain affordability at these projects that are structured to mirror the Section 8 program, whereby HUD pays owners the difference between what tenants can pay (defined as 30% of household income) and the negotiated payment standard.

The feasibility of this alternative depends on the willingness of property owners to accept rental assistance. Nonprofit owners are most likely to be willing to accept other rent subsidies, while for-profit owners will evaluate how comparable the rent subsidies are to market rate rents. Given the 445 at-risk units and the associated bedroom mix of the apartments, the total cost of subsidizing the rents is approximately \$221,000/month, \$1.8 million annually, or \$90 million over a 50-year life span (**Chart 2-30**).

Chart 2-30
Required Rent Subsidies for At-Risk Projects

Apartment Size & Units	Fair Mrkt Hhlds	Very Low Affordable Rental	Utility Costs	Per Unit Subsidy	Monthly Subsidy
0-bd 18	\$494 1-pers	\$17,950 \$449	\$50	\$95	\$20,615
1-bd 65	\$592 2-pers	\$20,500 \$513	\$100	\$179	\$63,008
2-bd 200	\$749 3-pers	\$23,100 \$578	\$100	\$271	\$70,460
3-bd 162	\$1,011 4-pers	\$25,650 \$641	\$150	\$520	\$66,560
Total 45					\$220,643

Assumptions:

1. A 1 bedroom unit is assumed to be occupied by 2-person household; a 2-bedroom unit by 3-persons, a 3-bedroom unit by 4-persons, and a 4-bedroom unit by a 5-person household
2. The annual income for a very low income household is calculated at 50% of the 1999 median family income in Los Angeles County, adjusted by family size
3. Affordable cost is determined by taking annual income, dividing by 12, and requiring a monthly payment of no more than 30% of monthly tenant income minus a utility allowance.

Once Section 8 contracts expire, HUD provides a Mark-to-Mark program. If current contracted rents exceed the FMR, HUD gives favorable tax treatment to property provided that they preserve units at rents affordable to low- and moderate-income households. For apartments renting at below FMR, HUD encourages for-profit or limited-dividend owners to remain in the Section 8 program by allowing rents to be raised to comparable market rents, not exceeding 150 percent of the FMR. While all Section 8 projects are at risk of conversion to non-low-income uses once the expiration date is reached, the below-market stock is most likely to be converted. Ten of the fourteen projects are eligible to exercise this latter option.

Option #3: Replacement of Building or Construction of New Units

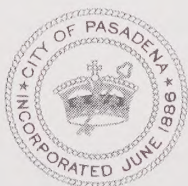
The construction or purchase of a replacement building is another option to preserve assisted housing units rather than maintaining existing subsidies. By purchasing several buildings to replace the 445 at-risk-housing units in Pasadena, the City could meet the affordable housing needs for the City without purchasing all 14 at-risk projects. The cost of replacing all 445 units at their market value through the purchase of a building would be over \$61 million. Pasadena could also build units to replace those converted to market rate housing. The cost of developing new housing depends upon density, size of the units, land costs, type of construction, and various other factors. According to City staff, construction costs per unit are approximately \$80,000, excluding land and other development costs. Using the average per unit construction cost, it would cost \$35.6 million to replace the 445 assisted units.

3. Cost Comparisons

While annual Section 8 subsidies to preserve the 445 assisted multi-family units are relatively modest (\$2.65 million annually), long-term affordability of the units cannot be ensured. To ensure affordability over a 50-year term, the cost for preservation through continuation of subsidies would be \$90 million. Therefore, other financial incentives may need to be offered as a supplement to make the negotiation packages more financially attractive to property owners. For ownership transfers, the project must be transferred in its entirety. Also the costs of transferring ownership of a project to a public or non-profit agency are based on the projects' current values, which are usually marked-up to incorporate inflation and profit for the existing owners. The purchase of suitable rental units of similar size would be valued at approximately \$32 million. In contrast, the City could construct new units at a cost of \$80,000 for a total of \$61 million dollars, not including land and other development costs. Therefore, over the long haul, transfer of the project to nonprofit housing organizations may be the most cost-efficient way to ensure long term affordability.

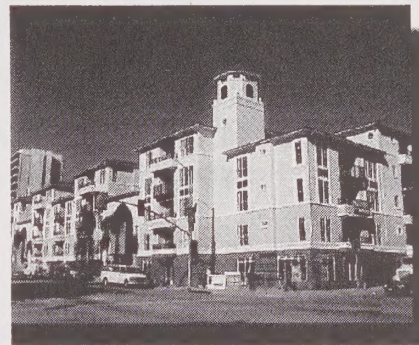
However, it should be noted that of the remaining subsidized projects "at-risk" of converting to market rates, none of the property owners have expressed an interest in converting the units to market rates.

HOUSING CONSTRAINTS



POTENTIAL CONSTRAINTS

The provision of decent, suitable and affordable housing is an important goal. As identified in Chapter 2, Pasadena has a variety of housing needs in the community due to changing demographics, an aging housing stock, and rising housing costs among other factors. Addressing the City's housing needs thus requires a continued effort to respond to changing conditions in the community. However, various factors may potentially constrain the City's ability to achieve its overall housing goals. Market factors, including land costs, increase the cost of housing construction. Governmental regulations, although designed to maintain quality of life, can also increase housing construction costs.



New Arpeggio Apartments

Even absent these constraints, the City's housing goals may at times conflict with other important City goals, such as the desire to provide open space and recreational facilities, protect environmental and historic resources, and maintain current community services and infrastructure.

Housing Element law therefore requires a housing element to contain an analysis of potential and actual governmental and non-governmental constraints to the maintenance, improvement, and development of housing for all economic and social segments (Section 65583(a)(4)(5)). This section analyzes the following three potential constraints:

- **Market factors:** refer to market factors that increase the cost of housing reinvestment, such as the demand for housing, development costs, availability of financing, the price of land, etc.
- **Governmental factors:** refer to land use regulations, building codes, site improvements, fees and other exactions, local processing and permit procedures, and other regulations that raise the cost of development.
- **Environmental factors:** refer to the adequacy of infrastructure and public services to support new development as well as other environmental factors (e.g., geologic, topographical, seismic, flooding, etc.) that affect housing investment.

Jurisdiction must also demonstrate local efforts to remove governmental constraints that hinder meeting its share of the regional housing need and from addressing the need for housing for persons with disabilities. (Section 65584[a][4]. Should constraints preclude achievement of housing goals, jurisdictions are required to address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing for persons of all income levels and disabilities.

A. Market Factors

The housing market affects the maintenance, development and improvement of housing. These factors include the demand for housing, land acquisition and development costs, and the availability and cost of financing among others. Although every community is impacted to a varying degree by market factors, communities can also institute policies and programs to offset the impact of market forces. This section describes market constraints to the provision of housing in Pasadena as well as local programs designed to mitigate the impact.

1. Market Demand

Since the latter 1980s, the Pasadena housing market has experienced significant cycles. During the latter half of the 1980s, Pasadena experienced escalation in housing prices and rents. The real estate crash of the 1990s caused real estate prices to plummet to ten-year lows. However, as the economy began to improve in the latter half of the 1990s, pent-up demand for new housing emerged. Over the past five years, rents and sales prices have increased sharply, erasing the losses experienced during the real estate crash of the 1990s.

Pasadena's favorable residential market is evidenced, to some extent, by vacancy rates. As discussed in Chapter 2, Pasadena's vacancy rate has significantly declined over the decade to a low of 1.4% for homeowners, and 2.9% among renters in 2000. In fact, the City's vacancy rate has fallen below a level considered to be optimal (e.g., 1.5% to 2.0% for single-family homes; 5% to 6% for rentals). These industry benchmarks are widely recognized as the optimal vacancy rates for moderating prices of housing and ensuring adequate mobility.

The City's low vacancy rates have contributed to escalating rents and housing prices. According to a recent rent surveys noted in Chapter 2, the average rent in Pasadena has increased over 7% annually, from \$744 in 1995 to \$1,070 in 2001. Meanwhile, the median price of a single-family home has also increased considerably and is now approximately \$320,000 as of 2001. Recent market surveys suggest that sales and rental prices of existing housing have continued to increase over the past year.

Moreover, rents are projected to continue increasing. Because of the desirability of Pasadena's living environment, developers are continuing to propose higher-end residential products that are affordable to upper income households. The construction of higher-end products continues to improve the quality of neighborhoods and encourage reinvestment in adjacent properties. However, higher-end housing also has the indirect effect of causing price escalation among the City's more affordable housing stock.

In order to encourage the production of affordable housing, the City actively utilizes a range of regulatory and financial incentives. These include an inclusionary ordinance, fee waivers, density bonuses, land write-downs, provision of direct financial assistance, and a variety of other tools to encourage the production of affordable and special needs housing.

2. Development Costs

Development costs include the whole range of costs incurred in the construction, maintenance, and improvement of housing. This includes construction materials, land costs, and other associated costs. The ability cost and availability of financing is also included, since it affects the construction industry and the financial feasibility of the project. The availability of financing also affects the ability of homeowners to purchase or improve their housing.

Construction Costs

Construction costs can vary widely according to the type of development, with multi-family housing being generally less expensive to construct than single-family housing. However, construction costs vary significantly, depending on the size of the unit and the number and quality of amenities offered. This includes such items as fireplaces, swimming pools, tennis courts, and less obvious decisions on the grade of carpeting and tiles used, types of appliances and light fixtures, and the quality of cabinetry and woodwork.

According to the Real Estate Research Council of Southern California, the cost of apartment construction significantly increased over the 1990s. Some of the increase was due to inflationary pressures. However, among other factors causing construction costs to increase were changes to the structural requirements mandated by the 1998 Uniform Building Code. Recent changes include new and enhanced requirements for structural reinforcements when homes are planned within 15 miles of an active earthquake fault.

In 1998, the International Conference of Building Officials established the average cost of labor and materials for constructing Type V wood frame housing of average quality. These cost estimates are based on "good" quality construction, providing materials and fixtures considered to be well above the minimum required by state and local building codes. Construction costs were \$75.90 per square foot for multi-family housing and \$85.50 per square foot for single-family homes. In Pasadena, construction costs are slightly higher.

Land Costs

Oftentimes, the cost of raw land typically accounts for a large share of total housing production costs and improvements that must be made to a particular site. The diminishing supply of residential land combined with a fairly high demand in recent years have kept land costs relatively high throughout southern California. In built-out communities, the cost of acquiring land is significantly higher because it includes structures which must be demolished.

To estimate the cost of land, City staff compiled over a dozen property transactions since 1998 from Metroscore, a commercial service providing property tax information. Land costs were separated into two components: total land acquisition cost (includes existing structures and improvements) and the land residual only. Permitted density was also included in the

calculation to measure the per unit land cost. In that manner, it was possible to determine the land cost per square foot of improved property and per permitted unit.

Chart 3-1 below shows that total land acquisition costs vary significantly by zone district. Costs vary from a low of approximately \$26 per square foot in the RM 32 district to three times the cost (\$70 per square foot) in the commercial districts. However, land costs also reflect the number of units permitted on each site. As a result, when the permitted density of the district is factored in the equation, the per unit costs to acquire a site with an existing use is approximately the same for all three zones, ranging from \$34,744 to a high of \$35,221.

Chart 3-1
Residential Land Prices

Zone District	Total Acquisition Cost Per Square foot of lot	Total Acquisition Cost Per Permitted Unit
RM 32	\$26	\$35,221
RM 48	\$38	\$34,744
RM 87	\$70	\$35,179

Source: Pasadena, Planning and Permitting, 2000.

To ensure that land costs do not hinder the production of affordable housing, the City offers a combination of density bonuses, financial assistance or land write-downs, and waiver of fees in return for the set-aside of residential units as permanent affordable housing. These programs, working in tandem, reduce the total development costs of producing residential units and thereby facilitate affordability. These programs are included in Chapter 5.

Construction Financing

Construction financing refers to the ability of developers to secure temporary and permanent financing necessary to develop new housing projects in Pasadena. Prior to the savings and loan scandals of the late 1980s, developers could receive loans for 100% or more of a project's estimated future value. Now, construction and permanent loans are almost never available for over 75% of the future project value for multi-family development projects. This means that developers must usually put up at least 25% of the project value, and perhaps more if the total cost is more than 75% of the estimated future value of the project.

The financing of residential projects, particularly affordable housing, is still quite complex. No firm threshold exists on what is an acceptable "return on investment" nor is there a maximum equity contribution before an otherwise feasible project becomes infeasible. This is because many affordable housing projects receive public subsidies, density bonuses, and regulatory incentives which, in many cases, can be combined with conventional financing to make an otherwise infeasible project feasible. These financing issues are common for all jurisdictions and therefore are not a unique constraint to affordable housing in Pasadena.

3. Access to Financing

The availability of financing is also critical in expanding and improving housing opportunity. The Community Reinvestment Act was passed in 1977 to improve access to credit for all groups within a community to allow the maintenance, improvement, and purchase of a home. **Chart 3-2** and the following discussion describe the disposition of loan applications submitted for home purchases and improvements in Pasadena.

Home Purchase Loans. In 2000, 3,687 households applied for home purchase loans. Of that total, 92% of households applied for conventional loans, 8% of households applied for government-assisted loans. Origination rates were similar for market-rate and government-backed loans (65%), but varied by the income of the household. For market-rate home purchase loans, the origination rate rose from 59% for lower income households to 67% for upper income households. Government-assisted home purchase loans followed the same pattern, increasing from 57% for lower income up to 72% for upper income households.

Home Improvement Loans. In 2000, 572 households applied for home improvement loans, the vast majority of which applied for conventional loans. For conventional loans, 45% were originated, 27% were denied, and 28% of the loans were rejected by the applicant, withdrawn by applicant, or closed for incompleteness. For government-assisted loans, the same size was too small to gain a reliable sample. Loan origination rates for market-rate home improvement loans also varied by household income. For market-rate loans, the approval rate increased from 31% for lower income households to 53% for upper income households.

Chart 3-2
Disposition of Home Loans

Applicant Income	Conventional Home Purchase			Government-Assisted Loans		
	Total	Originated	Denied	Total	Originate	Denied
Lower	216	59%	19%	46	57%	15%
Moderate	561	60%	18%	111	66%	9%
Upper	2,528	67%	12%	113	72%	8%
N.A.	100	47%	27%	12	24%	8%
Total	3,405	65%	14%	282	65%	10%
Applicant Income	Conventional Improvement Loans			Government-Assisted Loans		
	Total	Originate	Denied	Total	Originate	Denied
Lower	54	31%	44%	12	*	*
Moderate	95	33%	33%	5	*	*
Upper	366	53%	21%	15	*	*
N.A.	23	9%	61%	2	*	*
Total	538	45%	27%	34	24%	32%

Source: Home Mortgage Disclosure Act (HMDA) data, 2000.

* Sample size too small to yield statistically valid results

4. Inclusionary Program

Although nongovernmental constraints to housing production are primarily market-driven and outside direct government control of a single jurisdiction, localities can influence and offset the negative impact of market constraints through responsive programs and policies. One such program adopted by approximately 50 jurisdictions across the State of California is an inclusionary program which requires developers to provide a specific percentage of units in each new development as affordable to low and moderate-income households.

In September of 2002, the City of Pasadena adopted an inclusionary ordinance. In brief, the inclusionary ordinance requires that residential and mixed-use projects of 10 or more units dedicate 15% of the units as affordable to low and moderate income households. As an alternative to constructing the inclusionary units, a developer may choose one of three options: 1) construct the required units on another site, 2) donate another site for a portion or total number of units, or 3) pay a fee in-lieu of building the units.

Recognizing that housing costs vary considerably in Pasadena, the inclusionary fees vary according to differentials in market rents and sales prices in four neighborhoods shown in **Chart 3-3**. The fee is based on the difference between the affordable and the market price of housing. For instance, in the Northwest Planning area B, there is no difference between the market and affordable housing price and therefore the inclusionary fee was set at zero. In subarea A, the fee range is \$10-\$14 per square foot for ownership projects. To ensure that fees do not constrain the production of housing, the adopted fees were 75% of the costs of developing the units.

Chart 3-3
Inclusionary Housing Fees

Sub Area	For rent	For sale
A	\$10-\$14	\$10-\$14
B	\$0	\$0
C	\$7-\$10	\$7-\$10
D	\$10-\$15	\$10-\$15

Source: City of Pasadena, 2002

In assessing the impacts of the inclusionary housing ordinance, the City's consultant, Kaiser Marston Associates, concluded that the inclusionary ordinance could reduce potential land values by 30%. Based upon historical appreciation rates, property values would stabilize and return to the previous value within three years. However, the determinative factor in deciding whether to proceed with a residential project is not only the land value, but the actual revenue that can be generated from the project. KMA determined that "the commercial land values range from \$35 to \$50 per square foot, which is well below the \$71 per square foot generated by a residential project. Therefore, as long as residential projects are generating higher land values in comparison to commercial projects, it is likely that residential development will be the land use of choice in the downtown areas."

The inclusionary program is designed to leverage market demand for affordable housing. To ensure that the inclusionary program encourages and facilitates the production of affordable housing, developers are offered significant flexibility in meeting their inclusionary requirements. Important provisions are as follows:

- *Flexibility by Housing Type:* For sale units are allowed to provide any combination of low and/or moderate income units. Developers of rental products are required to provide at least 10% of the units for low-income households, with the remainder provided as either low or moderate-income units.
- *Flexibility by Substitution of Units.* Developers may receive greater inclusionary credit for providing a higher level of affordability as follows: a very low income unit can be substituted for 1.5 low income units or 2.0 moderate-income units and each low income unit can be substituted for 1.5 moderate-income units.
- *Provision of Financial or Regulatory Incentives.* For projects subject to the inclusionary ordinance, the developer may request one or more of the following incentives: 1) density bonus; 2) fee waivers; 3) financial assistance; 4) reduction of the inclusionary requirement; or 4) additional incentives on a case-by-case basis.

At this time, a total of 821 new residential units are subject to the interim inclusionary ordinance. The affordability agreements, which include the precise method by which the developer will meet inclusionary requirements and the number of units by affordability level, have not been determined to date. However, none of the developers have indicated interest in withdrawing applications as a result of the ordinance.

The City's inclusionary ordinance, at this time, does not appear to constrain production of housing. The inclusionary ordinance is tailored to specific parts of the community (representing specific districts, allowable densities, and land prices) and thus allows flexible means for meeting requirements. Moreover, residential projects are still generating twice the revenue per square foot as commercial projects. No developer has withdrawn a project. Thus, the inclusionary ordinance does not constrain housing production at a level which would preclude the City from achieving its RHNA goals for the 200-2005 planning period.

To further ensure that the Ordinance does not constrain the production of affordable housing, the City is required to conduct an evaluation of the effectiveness of the Ordinance during the first three years of its implementation and make recommendations for changes. The review is required to be conducted no later than 42 months from the effective date of the Ordinance (September 2001). Any changes necessary to the ordinance will be completed prior to the commencement of the next housing element planning period.

B. Governmental Factors

Pasadena has adopted local policies and regulations affecting local land uses. These include land use controls, building codes and their enforcement, site improvements, fees and exactions, and permit procedures among others. Although these codes maintain quality of life in the community, they also may hinder the development, improvement and maintenance of housing. This section discusses potential governmental constraints and whether they unduly constrain the provision of housing in Pasadena.

1. Land Use Controls

The Land Use Element of the Pasadena General Plan sets forth policies for guiding local development. The General Plan has seven primary land use designations that permit residential uses. In addition, the City allows residential development in seven specific plan areas, primarily in commercial districts. Taken together with the Zoning Code, the Land Use Element establishes the types of residential development that are permitted throughout Pasadena. **Chart 3-4** describes the City's major land use designations, the corresponding zones, and the types of housing allowed within each zone.

Chart 3-4
Residential Land Use Categories

General Plan Land Use	Zoning District(s)	Residential Type(s)
Low Density	RS	Typically single-family detached homes within a neighborhood setting.
Low-Medium Density	RM-12	Typically single-family detached homes with some duplexes within a neighborhood setting.
Medium Density Residential	RM-16	Small multi-family complexes less than four units as well as some two story multi-family projects.
Medium-High Density	RM-32	Higher density multi-family complexes and condominiums located near major arterials.
High Density	RM-48	Highest density apartments and condominiums close to major arterials, freeways, and transit.
Commercial	CO/CL	Primarily neighborhood and limited commercial, but also allows housing from 32 to 48 du/ac.
Central District	CD	Highest density multi-family housing at 48-87 du/ac, much of which is located near transit.

Sources: City of Pasadena, 2000.

Specific Plan Development

In addition to the residential districts noted above, the General Plan identifies seven Specific Plan Areas which span the length of the I-210 Freeway. Each Specific Plan area sets forth development standards for its district. These areas will accommodate higher density uses, with slight variations based upon location, geography, adjacent commercial and residential uses, and other unique constraints and opportunities within the specific plan area.

As part of the General Plan update process, many of the following specific plans are being written or revised to guide future development within their area. Development standards will vary depending on the location of the district and proximity to transit or activity nodes. As discussed in Chapter 4, the specific plan areas have a capacity for over 10,000 new units. **Chart 3-5** summarizes each specific plan, its purpose, and the types of housing permitted.

Chart 3-5
Specific Plan Areas in Pasadena

Specific Plan	Description of District
Central District	This Specific Plan will create a diverse mix of land uses for the City's primary business, financial, retailing, and government center. The Plan encourages mixed-use, transit-oriented, live-work, and adaptive reuse for housing.
South Fair Oaks	This Specific Plan will facilitate the transition of the area to a center for biomedical and research, building on the assets of the Huntington Hospital and Caltech. Limited residential uses are proposed near the light rail station.
West Gateway	This Specific Plan focuses on the arts, culture, and education aspects of the city by building upon the strengths of the Norton Simon Museum. Mixed use development is proposed, along with adequate historic preservation.
East Pasadena	The Specific Plan focuses on the commercial corridors of East Pasadena, but provides for a limited amount of multi-family residential development, including live/work spaces.
East Colorado	This Specific Plan identifies appropriate areas for mixed use and commercial developments) which will build off the proposed light rail, Pasadena College, and existing residential neighborhoods and business centers.
North Lake	This Specific Plan focuses on design standards and on identifying areas for mixed-use developments on north Lake, with an emphasis on a pedestrian friendly environment, while buffering residential uses parallel to Lake Avenue.
Fair Oaks and Orange Grove	This Specific Plan encourages visual and physical unification actions, removal of barriers to thinly capitalized and start-up businesses, and stabilize the neighborhoods with affordable housing and adaptive reuse policies.

Source: Pasadena Zoning Ordinance, 2000.

2. Provision for a Variety of Housing

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage and facilitate the development of various types of housing for all economic segments of the population. This includes single-family homes, multifamily housing, factory-built housing, mobile-homes, emergency shelters, farmworker housing, and transitional housing among others.

Pasadena permits a wide range of housing types in zone districts throughout the community. **Chart 3-6** summarizes the housing types permitted in each of the City's primary residential and commercial zones. Each residential use is designated by a letter denoting whether the use is permitted by right (P), conditioned (C or MC), or not permitted (NP).

Chart 3-6
Residential Uses Permitted in Primary Zones

Density	Residential Zones					Commercial Zones				
	RS	RM12	RM16	RM32	RM48	PS	CO	CL	CG	CD
<u>Residential</u>										
Single-Family	P	P	P	P	P	C	P	P	NP	P
Multi-family	NP	P	P	P	P	C	P	P	NP	P
Factory Built	P	P	P	P	P		P	P	NP	
Mobile-homes	P	P	P	P	P				NP	
Second Units	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP
<u>Other Special Needs</u>										
Residential Care,										
-- Limited	P	P	P	P	P	NP	P	P	NP	P
-- General	NP	NP	C	C	C	C	C	C	NP	C
Convalescent	NP	NP	NP	C	C	C	C	C	NP	NP
Fraternities/Sororities	NP	NP	NP	P	P	C	NP	P	NP	P
Affordable Senior	NP	P	P	P	P	C	P	P	NP	P
<u>Emergency/Transition</u>										
Emergency Shelter	NP	NP	NP	NP	NP	NP	NP	NP	MC	MC
Religious Facilities w/ a temporary shelter	C	C	C	C	C	C	C	P	P	P
Transition Housing	NP	P	P	P	P	NP	P	P	NP	P
Boarding Houses	NP	NP	NP	P	P	NP	NP	P	NP	P
Single Rm Occupancy	NP	NP	NP	NP	NP	NP	NP	NP	P	NP

Source: Pasadena Zoning Ordinance, 2001.

Assessment of Permitted Uses

State law requires jurisdictions to facilitate and encourage a variety of types of housing for all income levels, including conventional single- and multi-family housing, emergency shelters and transitional housing. State and federal fair housing laws also encourage communities to promote an inclusive living environment by permitting a range of housing types. The following discussion describes the City's policies toward permitting housing:

- **Conventional Housing**

The Zoning Code permits single-family housing, with a variety of densities, by right in residential zones throughout the community. Multi-family housing is also permitted by right in all residential zones, except for the RS zones. In addition, the City also allows mobile homes and manufactured housing in zones designated for single-family residential uses and the requirements for such housing (e.g., planning, permitting, reviews, etc) are no more stringent than for other single-family dwellings.

Multi-family housing such as apartments are also permitted by right in numerous commercial zones, including the PS, CO, CL and CD zones. Mixed residential and commercial use is allowed both as a residential stand alone project and vertical mixed use. As of December 2001, approximately 2,160 new multi-family residential units have been completed, proposed, or approved for the Central District alone. Other mixed use projects are being developed in other parts of Pasadena.

Second units are attached or detached units that provide complete living facilities for a family. In 1998, the City prohibited second units from being located in residential and commercial districts. However, State law requires that the City adopt an ordinance which contains findings as follows: 1) that allowing second units may limit housing opportunities in the region; and 2) allowing such uses will result in *specific* adverse impacts on the health, safety, and welfare of the public (Government Code, Section 65852.2). The City is proposing a program to adopt appropriate findings.

The City also facilitates the development of other conventional-style housing to meet the special needs of residents. For instance, the Zoning Code permits student housing (including fraternities, sororities, and dormitories) in various zones to meet the housing needs of the large student population in Pasadena. Pasadena has a large college-age population due to the presence of many higher educational institutions. Affordable senior projects are also allowed in various residential and commercial zones to meet the housing needs of this population.

- **Emergency Shelters and Transition Housing**

The City defines emergency shelters as a use that provides short-term lodging on a first-come first-serve basis where people must vacate the facility each morning and have no guaranteed bed for the next night. Emergency shelters in Pasadena are

operated by nonprofit organizations and religious assemblies. As a condition to operate within Pasadena, all homeless service providers must limit occupancy to no more than 10 persons at any one time, and limit residency to a maximum of 60 days.

Religious Assemblies are allowed to operate a temporary shelter for the homeless in residential and commercial zones with a conditional use permit and by right in the CL, CG and CD zone. A Religious Assembly may use the site for a temporary homeless shelter without a CUP if the religious assembly use in a district that requires a CUP for a religious assembly has a CUP to establish such use. Emergency shelters not part of a religious assembly may operate in the CG and CD zone pursuant to a minor conditional use permit which does not require a public hearing.

Transition housing is defined as a facility that provides housing at no cost for individuals in immediate need of housing in which residents stay longer than overnight. Such housing may include support services such as emergency medical care, employment and housing counseling provided that the total area in the home dedicated to supportive services does not exceed 250 square feet. Transition housing is permitted by right in the multi-family districts (RM-12, RM-16, RM-32, and RM-48), and in several commercial districts (namely, the CO, CL, and CD zones).

The City facilitates and encourages the development of emergency shelters and transitional housing through its land use and zoning processes. Homeless shelters are permitted in many residential and commercial zones. Emergency shelters are also allowed significant reductions in parking spaces and those in commercial zones are allowed to conform to less stringent development standards. Finally, the required minor conditional use permit process does not require a public hearing. The City's policies have resulted in the 171 emergency shelter beds and 221 transition beds.

Over the next five years, the City is financing the renovation of a school to a 15-unit transition housing project, called "Euclid Villa." Union Station is adding a woman's dormitory and is rehabilitating a site for a new homeless family center. According to the City's Public Housing Agency Plan, the City's funding commitments are: \$170,000 in HOME funds for rental assistance, \$230,000 in Shelter Plus Care funds, \$84,000 in HOPWA for persons with AIDS, \$636,000 in SHP funds for transition housing, \$89,000 in ESG funds, and a match of \$89,000 in Housing Trust funds.

As a result of the City's 1997 Analysis of Impediments, the Institute of Urban Research and Development noted that the maximum occupancy requirement for emergency shelters of ten persons in residential zones was inadvertently extended to commercial and industrial districts. The Planning Commission has committed to remove the occupancy restriction for emergency shelters in commercial and industrial zones.

▪ **Housing for Disabled Persons.**

The Lanterman Developmental Disabilities Services Act and Community Care Facilities Act state that mentally, physically, developmentally disabled persons and children and adults who require supervised care are entitled to live in normal residential settings. To that end, State law requires that certain types of licensed care facilities serving six or fewer persons be treated like single-family homes and be allowed by right in all residential zones. These uses are:

- Residential facility
- Alcoholism or drug abuse recovery or treatment facility
- Community care facility for wards of the juvenile court
- Residential care facilities for persons with chronic, life-threatening illness
- Residential care facility for the elderly
- Congregate living health facility
- Residential Pediatric Care

The Zoning Code designates two types of uses – Residential Care (limited – serving six or fewer persons) and Residential Care (general – serving seven or more persons). Residential Care is defined as a facility providing 24-hour nonmedical care for persons in need of personal services, supervision, protection or assistance essential for sustaining the activities of daily living. Both classifications are defined as including “only those facilities licensed by the State.”

Pasadena’s Zoning Code permits state licensed group homes serving six or fewer persons (called Residential Care, limited) by right in all residential zones in compliance with the Health and Safety Code, Section 1500 et. seq. The Zoning Ordinance does not subject such facilities to a use permit, building standard, or other regulation not otherwise required of single-family homes in the same zone. However, the Zoning Code should be clarified as to whether the Residential Care, Limited, classification includes all types of group homes permitted under State law.

Facilities serving more than six persons are classified as Residential Care, General and are permitted in various residential and commercial zones pursuant to the approval of a conditional use permit. The Zoning Ordinance does not require a building standard, or other regulation not otherwise required of housing in the same zone. The conditional use permit and hearing process is identical to any other land use. Residential Care, General, facilities are permitted throughout the City, except in Northwest Pasadena. This topic is addressed in subsection 6 of this chapter.

The City actively facilitates the development of group housing for disabled persons. For the upcoming planning period (2000-2005), Pasadena is providing financial and regulatory assistance for four groups homes serving developmentally disabled adults, a 21-unit home for mentally disabled persons (Ashtabula), and another project for developmentally disabled adult run by United Cerebral Palsy.

3. Residential Development Standards

Land use policies in the City's General Plan are implemented through the Zoning Code. The Zoning Code is designed to protect and promote the health, safety, and general welfare of residents, which includes preserving the character and integrity of established residential neighborhoods. To that end, the City has established specific residential development standards that apply to new construction in various residential and commercial districts. **Chart 3-7** provides a summary of the most pertinent codes affecting residential development.

The Zoning Code provides for a range of housing types, densities, and prices across Pasadena. Within RS-1 through RS-6 zones, single-family homes with greater open space are allowed. RM-12 through RM-16 zones allow multi-family complexes up to 16 units per acre. In urban districts, multi-family complexes up to 60 units per acre are permitted, with a maximum density of up to 87 units per acre in the Central District. Residential development is allowed in commercial zones as a mixed use project and as a stand alone project.

Chart 3-7
Residential Development Standards

General Plan and Residential Zone	Lower Density		Medium Density		High Density		
	RS1/2	RS4/6	RM12	RM16	RM32 and CL	RM48 and CO	CD*
Lot Standards							
Min. Lot Area	1- ½ ac	1/6-¼ ac	7,200	7,200	10,000	10,000	10,000
Max. Lot Coverage	35%	35%	35%	35%	60%	60%	60%
Min Lot Width (ft)	100	75-55	55	75	60	60	n.a.
Bldg Standards							
Max. DU/acre	1-2	4-6	2/lot	16	32	48	32-87
Max. Height (ft)	34	34	34	32	36	36	varies
Minimum Unit Size	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Open Space							
Front Yard (ft.)	25	25	25	20	20	20	
Rear Yard (ft.)	25	25	10	0-5	0-5	5-15	varies
Side Yard (ft.)	5	5	5	0-15	0-15	5-15	
Garden (% lot)	n.a.	n.a.	n.a.	17%	20%	20%	none
Parking Spaces							
Single Family	2 garage spaces per unit						
Multifamily	2 covered spaces for units equal to or larger than 550 sq. ft.; 1 covered space required for multi-family units smaller than 550 sq. ft.						
Guest Parking	1 guest space per 10 units in complex with 20 or more units.						

Source: Pasadena Zoning Code, 2000.

Analysis of Development Standards

Pasadena's development standards can contribute to the cost of development. For instance, building standards, parking standards, open space requirements and the like can contribute to the cost of housing development. However, as described below, the majority of the development standards is quite liberal and would not be expected to be a constraint to the development of housing for all social and economic segments.

- **Development Standards.** Pasadena's building and lot standards are generally competitive compared with surrounding cities. Minimum required lot sizes range from 1 acre to 7,200 square feet. Lot coverage ranges from 35% in single-family districts to 60% in higher density residential districts. Permitted density ranges from 16 to 48 units per acre, with high density housing at 87 units per acre permitted in the Central District. Density bonuses are routinely granted for mixed-use and multiple-family projects. Taken together, the City's development standards are more generous than most cities and do not constrain housing development in Pasadena.
- **Building Codes.** Pasadena has adopted the 1998 Uniform Building Code and requires inspections at various stages of construction to ensure code compliance. Additional codes have been added to reduce seismic hazards for unreinforced masonry construction, reduce fire hazards in the hillside development overlay zone, and regulate the alteration of historically significant structures. Pasadena also enforces ADA accessibility requirements, but does not have more stringent accessibility standards (e.g., universal design) than required by state and federal law. Procedures for reasonable accommodation are discussed later in this chapter.
- **Open Space Requirements.** Open space requirements are relatively minimal for Pasadena. Currently, the City does not require minimum unit sizes of apartments. The setbacks for multi-family projects vary from zero to fifteen feet, depending on the location. Side yards vary from zero to fifteen feet in width. Front yards are slightly larger at 20 feet. Maximum lot coverage ranges from 35% in medium density multi-family districts to 60% in high density districts. In comparison to most communities, the open space requirements are moderate and do not constrain development.
- **Parking Requirements.** The City's parking requirements vary depending on the housing type and anticipated parking needs. For households owning a vehicle, the vehicle ownership rate was 2 cars per homeowner and 1.5 cars per renter household. The City's parking space requirements are designed to accommodate vehicle ownership patterns of Pasadena residents. As a result, the City requires 2 garage spaces per single-family dwelling, and 2 covered spaces for multi-family units. However, significant parking reductions are allowed for special needs housing, smaller multi-family units, and various special needs housing.

City of Garden Standards.

The City of Gardens Standards refer to the development requirements for constructing multi-family projects (apartments, condominiums, additional units) in Pasadena. These standards are an innovative set of zoning regulations that encourage designs which typify the garden character of earlier apartments and bungalow courts within the city. The standards are designed to ensure that high-density apartments and condominiums incorporate landscaped common open space rather than bulky mass designs.



Waterstone Apartments are an example of "garden standards"

The City of Gardens standards emphasize the importance of the common area and a primary landscaped area visible from the street. Depending on the size of the site, the main garden rectangle is to occupy 17% to 20% of total site area and provide coherent, useable open space for residents. The total site area dedicated to landscaped open space is approximately 35% in the RM-16 districts. For RM-32 and RM-48 zones, the required dedication to landscaped open space varies from 29-37%.

The City of Gardens regulations apply to all multi-family projects in the City which include three or more units. It applies to residential projects in the CL (limited commercial) and CO (commercial office) districts. However, the City of Gardens standards do not apply to the RM-12 district (which permits two units on a multi-family lot) and projects in the downtown (Central District) which can be built at up to 87 units per acre. As discussed later, the Central District has the greatest share of residential development capacity remaining in Pasadena.

Thirty-six (36) City of Gardens projects, totaling 316 units, are in the pipeline or under construction. City of Gardens projects are located generally outside the Central District. It should be noted that the Central District contains 45% of new residential capacity including affordable units. Moreover, most of this area is not subject to the Gardens Ordinance. Four projects totaling 57 units are recently completed. Of the 316 units in the pipeline or under construction, 147 are in projects less than 10 units and 226 units are in projects of 10 or more units. Projects of 10 or more units are subject to the inclusionary ordinance.

Although the Gardens standards have not constrained total housing production, as shown above, concern has been expressed that the standards may need to be examined to determine whether developments are likely to achieve the maximum allowable densities. Therefore, as part of an overall zoning code revision, the City will have the opportunity to assess the effects of development standards on the affordability and production of multi-family housing and to propose modifications as needed. In particular, the City will examine height limits and setbacks in the Garden standards which affect multi-family developments.

Historic Preservation

Pasadena is widely known for its rich collection of historic properties. In all areas of the City, architecturally distinguished buildings impart an attractive character to residential neighborhoods and to business districts. The City's historic resources also serve as tangible reminders of the eventful history of the City. They are a source of civic pride and of economic productivity, drawing residents, tourists, shoppers, and businesses.



Pasadena Bungalow

Since 1969, the City has formally recognized the benefits of preserving historic sites and structures. The City has designated 47 sites and structures as landmarks. In addition, over 1,000 properties in Pasadena are listed in the National Register of Historic Places. In terms of districts, the City currently has two local landmark districts, namely Bungalow Heaven and the Garfield Heights district, six national historic districts, including a historic overlay district covering much of the Central District and Civic Center Area.

Pasadena has a cultural heritage ordinance, two commissions entrusted with protecting historic resources, and a program within its Planning and Development Department to support historic preservation. To preserve these resources, the Cultural Heritage Commission reviews alterations, additions, relocations, demolitions, and upgrades to designated buildings, landmarks, works of Greene and Greene, and historic buildings over 50 years old. The Design Commission also reviews all development in the Central District.

The City offers several incentives to promote the preservation of historic sites and structures. These incentives include the following:

- Rehabilitation or adaptive use of multi-family residential projects subject to the City of Gardens standards may qualify for a waiver of the size of the main garden, required parking, and modulation of exterior walls.
- The Zoning Code allows some buildings with insufficient on-site parking to remain exempt from current parking requirements and waive the need to apply for a variance or acquire off-street parking, even when placed in a different use.
- Pasadena can enter into a Mills Act contract with owners of qualified historic properties to provide a property tax reduction for the use, maintenance, and restoration of designated historic properties.

The Housing Plan, specifically Program 4, coupled with programs in the Historic Preservation Element, set forth the City's strategy for preserving Pasadena's unique heritage, improving the quality of neighborhoods, and improving quality of life.

Facilitating Affordable and Accessible Housing

To facilitate and encourage the development of housing that is affordable and accessible to special needs groups and lower income persons, Pasadena offers a density bonus program, modified development standards, parking space reductions, and fee waivers. Chapter 5 provides a comprehensive list of the programs to encourage and facilitate affordable housing.

- **Density Bonus.** Pasadena has adopted the State density bonus law that allows housing to be developed at a higher density (25%) than permitted by the underlying zone if a certain portion of the units are set aside for very low income, low income, or senior units. Residential projects in portions of the Central District and affordable senior projects may be granted a density bonus up to 50% pursuant to a CUP. Subject to a minor conditional use permit, an applicant may request a reduction or modification of development standards or another regulatory incentive/concession. Density bonuses are widely used. For the present planning period (2000-2005), density bonuses are being utilized on 10 projects providing 143 affordable units.
- **Parking Incentives.** The City offers significant parking reductions to facilitate the development of affordable and special needs housing. Density bonus projects may also use compact parking to satisfy 60% of the minimum parking requirements. Parking space requirements for special needs housing are as follows:
 - 1 space per unit for senior housing
 - 1 covered space per 3 habitable rooms in boarding houses or student housing
 - 2 covered spaces per transitional unit
 - 1 space for every 4 emergency shelter beds
 - 1 space per employee or as specified by the CUP for Residential Care facilities
- **Financial Assistance.** In 1992, the City Council passed Ordinance 6681 and 6472, which enabled developers of eligible affordable housing projects to take certain waivers from the City's plan check fee, building permit fee, and construction tax. This Ordinance has been highly successful and has resulted in an average waiver of over \$40,000 annually. Non-profit community-based organizations that are pre-registered with the Neighborhood Connections Office are eligible for a 50% fee waiver if the organization has net assets less than \$500,000. Finally, the City's density bonus program also allows fee waivers as a financial incentive for qualified projects.

The City also provides financial assistance to assist in the development of affordable and accessible housing. Chapter 4 provides a list of funding resources used by the City to assist in the development of affordable and accessible housing and a sample of projects. These include multi-family projects, housing for disabled persons, emergency shelters and transitional housing, as well as senior housing project.

Reasonable Modification.

In 1999, the City adopted Ordinance 6779 through which the City can grant reasonable modifications to the strict requirements of the zoning code where necessary to avoid discrimination against individuals with disabilities. The process for seeking a modification varies depending on whether the modification refers to zoning and development regulations, building codes, land use, or permit processing. **Chart 3-8** details the process for requesting a modification to accommodate a disability.

Chart 3-8
Reasonable Modification Process

Reasonable Modification	Land Use Decision	Zoning Modification	Building Standard
Types of Requests		All development standards, except those relating to gross floor area, density or lot coverage.	New construction and renovation
Process	Planning Comm. recommends to the City Council	Minor Variance	The City follows regulations in the 1998 California Building Code.
Decision-maker	City Council	Zoning Administrator	Hearing Officer
Appeal	City Council	Board of Zoning Appeal	Building Board of Appeals (City Council).

Source: City of Pasadena, 2002.

The Ashtabula project is a 21-unit project for disabled persons on a site in the RM-32 district. The project has received a density bonus. A conditional use permit was granted for incentives beyond a density bonus, which were a reduction in off-street parking, modification of garden standards, and allowance of shared entrances to serve more than four dwelling units. A variance was obtained to deviate from the main garden configuration, locate the driveway more than two feet from side property line, and to provide less than 50 percent of building frontage at the front setback. The project is currently in plan check.

The Rio Grande project is a 13-unit project for disabled persons. The site is zoned CL (Limited Commercial) and allows up to 32 units per acre. To facilitate development of this project, the City granted a density bonus. In addition, the City also granted a minor conditional use permit for incentives in addition to the density bonus. These incentives included a reduction in number of parking spaces, uncovered parking, reduction in front and corner yards, zero side yard and increase in roof height. A minor conditional use permit is typically used unless the request for additional incentives is combined with a variance.

4. Development Permit Procedures

The development review process is an important function for local government. Development review helps ensure that projects will comply with applicable building, health, and safety standards, the project(s) will be designed in an appropriate manner, and that conditions are placed upon the project to ensure environmental compatibility. The development review process also provides a means to seek relief from strict interpretation of the code in order to facilitate and encourage affordable and special needs housing.

- *Normal Development Review.* Proposed residential projects are subject to an initial plan review process to determine whether a project requires any of the following: 1) predevelopment plan review; 2) discretionary permit, 3) legislative land change; or 4) other special review. Most single-family homes and multi-family projects under nine units do not require any of the aforementioned reviews. Using City application packets available on the City's web site, the developer can easily assess the appropriate documentation that needs to be submitted for plan check review.
- *Pre-Development Plan Review (PPR).* PPR applies to multi-family projects larger than 9 units, projects with over 25,000 square feet of nonresidential floor area, projects of community-wide significance, and projects within a specific plan area if needed. PPR is a preliminary evaluation conducted by various City Departments, who provide input on requirements for a project before submittal of plans to the City. A case manager is assigned to guide the project through PPR and plan approval.
- *Discretionary Permit* –The next step is to determine whether a discretionary permit, such as a variance or conditional use permit, is required. The CUP and variance process is used to ensure that a proposed use is compatible with surrounding land uses, consistent with the general plan and zoning district, and not detrimental to the public health, safety, and welfare. The process takes approximately two to three months to complete. Both processes are described below:
 - *Conditional Use Permit (CUP).* The CUP process is required for uses that have unusual site development features or operating characteristics so as to require individual review for compatibility with surrounding land uses. For larger projects, the developer must secure a *major* CUP which requires approval by a hearing officer after a public hearing. Otherwise, the zoning administrator can process a *minor* CUP without a public hearing unless requested by the public.
 - *Variance.* In certain cases, strict application of the zoning ordinance deprives privileges enjoyed by other property in the vicinity and under the same zoning classification. In these cases, a variance may be appropriate. Typically, deviations not exceeding 25% of the development standard may be processed as a minor variance and approved by a hearing officer. Larger deviations require a major variance, public hearing, and approval by a hearing officer.

- *Commission Review.* The construction, alternation, or rehabilitation of residential projects may also require approvals by various commissions. Commission review depends on the age, location, scale, and use proposed. The time frames for review vary according to the project complexity, lead time to notice a public hearing, and additional time to make a ruling. Appeals can be made to each of the rulings and subsequent negotiations may be needed occur to bring the project into compliance. Key commissions and the scope of review are described below:
 - *Design Commission.* Reviews exterior alterations, new construction, and seismic retrofitting to all buildings, including historic buildings, within the Central District and certain other zoning districts. Reviews multi-family projects consisting of more than nine units and, in some cases, compliance with gardens standards.
 - *Cultural Heritage Commission.* The Cultural Heritage Commission reviews exterior alterations and additions, seismic retrofitting, relocation, and demolitions of structures or landmarks of architectural or historical merit. This includes works done by the architects Greene and Greene.
 - *Community Development Committee.* The CDC has authority to review and approve concept plans for a development which is subsidized by the City. After that point, the plans are subject to final approval by Design Review Commission.
- *Plan Check/Permit Issuance.* Once the project is approved by the necessary Commission and review bodies, the project is moved through plan review stage. This involves verification that all building, zoning, fire, mechanical, plumbing, electrical, and health codes are fulfilled in compliance with Pasadena's building codes. The time frames for this stage vary with the size, complexity, and location of the project. Generally, the maximum time frame is estimated at one month.

Pasadena has established its Permit Center to help developers secure all necessary permits in a one-stop process and minimize the time needed to process new housing projects. Assuming no discretionary land use decision is necessary, the timeframe for approval of the development from plan check through building permit is approximately 4 to 6 weeks for a single-family home and from 6 to up to 12 weeks for a multi-family project.

Pasadena's development review process is not deemed to be a constraint to the production of housing as well as affordable housing. Because of the relatively quick turnaround for project reviews, development processes are processed in a timely manner. In addition, affordable projects receiving city assistance can be processed in an expedited manner through the design review process. Lastly, the numerous affordable projects currently being built attest to the overall success of the development review process in Pasadena.

Design Review Process

As a dense urban community, Pasadena has limited vacant land remaining in the community. As a result, new residential development often requires the demolition of existing structures and the construction of higher intensity uses, oftentimes within established multi-family neighborhoods or within mixed-use commercial districts. In this context, it is critical to ensure that new development is conducive and compatible with existing land use patterns.

Pasadena uses design review to encourage excellence in architectural design, enhance the visual environment, and ensure that development is compatible with surrounding land uses. Depending on the scale, location, and sensitivity of development projects, review is conducted by City staff, the Design Commission, or Community Development Committee. The guidelines used in design review include the following: the *"Guiding Principles for Design,"* the *"Purposes of Design Review,"* or the *"Urban Design Plan and Guidelines."*

Staff level of review can be appealed to the Design Commission and decisions made by the Design Commission can be appealed to the City Council. In addition, higher level decision making bodies can make a call for review to stay an issue and re-examine it more closely. To ensure that design review does not constrain the production of affordable housing, Pasadena allows developers to request a Consolidated Review, which combines both concept and final reviews into one public hearing and shortened time frame.

Chart 3-9 details the City's design review procedures.

Chart 3-9
Design Review Process

Review Specifics	Reviewing Authority		
	City Staff Review	Design Commission	C. D. Committee
Applicable Projects	- Citywide projects between 25-50,000 sf - Projects under 10,000 sq. ft. in CD1-6 - Projects over 50,000 sf in other CD areas - Multi-family projects subject to "Gardens"	- Citywide projects over 50,000 sq. ft. - Projects over 10,000 sq. ft. in CD 1-6 - Projects over 50,000 sq. ft. in other CD areas	The CDC has authority to review and approve concept plans for a development subsidized by the City. After that point, the plans are subject to final approval by Design Review Commission.
Level of Review	- Concept Review - Consolidated - Final Review	- Concept Review - Public Hearing - Final Review - Public Hearing	Concept Review
Appealable	Yes, to Design Commission	Yes, to City Council	Yes, to City Council

Source: City of Pasadena, 2002

5. Fees and Exactions

Housing construction imposes certain short and long-term costs upon local government. These include short-term cost of providing City planning services and inspections of new development. Long-term costs include the maintenance and improvement of the community's infrastructure, facilities, parks, streets, and other essential local services. Therefore, Pasadena charges various planning and development fees to recoup these costs and ensure that essential services and infrastructure are available when needed.

Development Fees

Pasadena collects fees and deposits from developers to recover the costs of processing permits. Fees are set at an amount equivalent to the cost of providing the service. For legislative approvals by the City Council, a deposit is requested based upon the estimated amount of time to be spent. If the project requires more time, an invoice is presented for payment. If the project is completed before the deposit is used, a refund is then processed. **Chart 3-10** summarizes the major planning and development fees collected from developers.

Chart 3-10
Development Fees

	Service Provided	Amount	Type
Building Services	Building Permit Fee	2% of valuation	Fee
	Building Plan Check (PC)	100% (BPF)	Fee
	Code Compliance PC	10.5% (BPF)	Fee
	Current Planning PC	14.5% (BPF)	Fee
	Public Works & Transportation PC	30% (BPF)	Fee
	Plumbing/Mechanical/Electric PC	25% (BPF)	Fee
	All Others (Fire, Design, Historic)	9% (BPF)	Fee
Planning Fees	Predevelopment Plan Review	\$529	Fee
	Zone Change/Gen. Plan Amend.	\$5,000 deposit	At Cost
	Development Agreement	\$5,000 deposit	At Cost
	Minor/Major Conditional Use	\$1,511-1,850	Fee
	Minor or Regular Variance	\$1,326-1,965	Fee
	Tentative Parcel or Tract Map	\$2,385-2,702	Fee
	Environmental Impact Review	\$5,000 deposit	At Cost
Design Review	Major Concept Design	\$1,874 deposit	At Cost
	Final Design Review	\$407	Fee
	City of Gardens Design Review	\$2,160-\$3,344	Fee
	Consolidated Review	\$1,412	Fee

Source: Pasadena Planning and Permit Department 2000.

Development Impact Fees

Pasadena and other local government entities also charge various development impact fees and collect taxes upon certain types of new residential development. The development impact fees and taxes are designed to ensure that infrastructure, public services, and facilities are in place as well as ensure that these systems have adequate capacity to accommodate the demands placed upon them by new residential development.

The City requires payment of several impact fees, including school impact fee, sanitation, park facilities, and a construction tax. **Chart 3-11** summarizes the major development fees charged in Pasadena. Traffic impact fees are not required, although the developer may be required to make off-site site improvements as a condition of undertaking a large project with community wide significance.

Chart 3-11
Development Service Fees

Service Provided	Impact Fee Charged
School Impact Fee	\$1.93 per sq. ft. of floor area
Sanitation Fee	3% of permit valuation
Energy Connections	1,300 per meter
Traffic Impact Fee	none
Park Facilities Fee	\$756 per unit
Construction Tax	1.92% of permit valuation

Source: City of Pasadena, 2000.

Pasadena recently participated in a survey conducted by HCD regarding development fees. Two scenarios were examined - a 25-unit single-family subdivision valued at \$4.84 million and a 45-unit multi-family complex valued at \$2.85 million. For the former, the City charged \$66,000 in planning and building permit fees and \$131,000 in impact fees, while the school district charged \$115,000. For the multi-family project, \$158,000 in planning and building fees, \$278,000 in local fees, and \$83,000 in school fees were charged.

Taken together, the City's overall fees charged for new residential development appeared to be competitive with the other 27 jurisdictions in southern California that participated in the survey. For instance, fees charged for single-family developments averaged \$15,051 per unit or 7.8% of total valuation. Fees for multi-family developments averaged \$10,672 per unit or 16.8% of total valuation. Of the 27 cities surveyed, Pasadena had the fourth lowest fees per single-family unit and the sixth lowest fees for multi-family complexes.

Although planning and development fees increase housing development costs, these fees are not considered to be an undue constraint upon the production and maintenance of housing. Non-profit community-based organizations that are pre-registered with the Neighborhood Connections Office are eligible for a fee waiver of 50% if the organization has net assets less than \$500,000. Pasadena also provides for a full or partial waiver of plan check fees, building permit fees, and construction tax for affordable very low and low-income units. Therefore, impact fees are not considered to be an undue constraint on housing investment.

6. Impaction Policies

The City supports the equitable distribution of community services, transportation, and recreational services throughout neighborhoods. Moreover, the General Plan Land Use Element Policy 15.3 establishes the intent, to the extent feasible, to increase the equitable distribution of affordable housing throughout the community. The following highlights a few City policies and programs which are designed to achieve these goals.

- **Impaction Policy.** Pasadena has a sizable inventory of special needs housing which includes 95 group homes, 16 skilled nursing facilities, 20 substance abuse recovery homes, and 9 emergency and transitional homes offering about 5,000 beds. Because of prior land use decisions and property values, the Northwest neighborhood has approximately 50% of all such facilities. Therefore, General Plan Land Use Policy 14.5 prohibits the issuance of the following new uses in Northwest Pasadena: convalescent facilities, detention facilities, hospitals, maintenance and service facilities, adult day care (general) and residential care facilities (general), and single room occupancy. However, small residential care facilities are still permitted in Northwest Pasadena.
- **Specific Plan Caps.** The 1994 Land Use Element provided an exemption to the residential development caps for each Specific Plan area in several cases to encourage provision of affordable housing. The three exemptions are: (1) the ownership units are affordable to lower- or moderate-income households; (2) the rental units are affordable to lower -income households, or (3) the rental or ownership units are for senior housing. Although this policy has increased the number of affordable units citywide, in some cases it has conflicted with the City's policy of integrating affordable housing throughout the City. Thus, the existing policy to exempt qualified affordable units from the Specific Plan caps remains, unless otherwise specified by the Specific Plan.
- **Inclusionary Fees.** As discussed earlier in chapter 2, the City has approximately 27 affordable projects providing a total of 1,874 units affordable to very low and low-income households. The majority of those units are located in Northwest Pasadena due in part because the land costs are lower than other parts of the City. In addition, however, many affordable projects) are located in the Central District. To ensure an equitable distribution of affordable units citywide, the inclusionary fees were calculated based on the difference between market rate and affordable housing projects. As a result, the in-lieu fee for Northwest Pasadena was calculated to be zero while the fee is substantially higher in other areas. As a result, this policy has the effect of ensuring a wider integration of affordable units throughout the community.

C. Environmental Factors

Environmental and infrastructure constraints cover a broad range of issues affecting the feasibility of residential development. Environmental issues range from the suitability of land for development to the provision of adequate infrastructure, services, and facilities are available to facilitate residential development commensurate with the 1998-2005 RHNA. This section discusses various environmental issues in certain portions of Pasadena.

1. Environmental Constraints

In addition to site improvements, Pasadena has policies to ensure that development is compatible with existing environmental conditions. Certain portions of Pasadena are not suitable for development due to topographical, flooding, seismic, or geologic conditions. The following information on environmental conditions is derived from the City's Safety Element, which is currently being updated along with a comprehensive update of the General Plan.

- **Topography.** The majority of vacant land in Pasadena is located along the western portion of the community, running along the entire length of the Arroyo Seco. The Arroyo Seco is a washbasin that extends southward from the Devils Gate Dam. Because the Arroyo is in the flood plain, it is currently developed as open space and a city regional park. Soil instability, traces of earthquake faults, and the potential for flooding make this location unsuitable for higher density residential development.
- **Flooding.** The location of the Eaton Wash and Morris Jones Reservoir on the eastern portion of Pasadena could result in flood inundation areas extending over parts of the far-eastern portion of Pasadena. Some portions of the flood inundation areas have been designated as open space (e.g., occupied by portions of the City's regional park system) and are unsuitable for residential development. The Linda Vista area is also subject to flood inundation which limits the type of permissible development.
- **Seismic Activity.** The far western portion of Pasadena is affected by traces of faults that extend eastward into the Linda Vista neighborhoods. The Linda Vista neighborhood consists primarily of very low-density and hillside developments that extend from the wash area of the Devils Gate Dam west to the City's boundary. In addition, parts of the single-family residential area in the southwest corner of the city are included in an Alquist Priolo area, because of the active Raymond Hill fault.

Although these constraints limit the location and type of housing, these environmental issues are not considered to be constraints to meeting the City's share of regional housing needs. Housing which is subject to environmental constraints is typically affordable to upper income households. As discussed later in Chapter four, the majority of lower-income housing is developed as infill or through conversion of nonresidential sites in the City's central areas. These areas are not generally affected by the aforementioned environmental constraints.

2. Infrastructure Improvements

Adequate infrastructure and site improvements are important components of new development. To ensure that residential development to not adversely impact the City's infrastructure and service system levels, the City makes provision for major capital improvements and site specific improvements below. For more detailed discussion, a fuller discussion of specific information is provided in the City adopted General Plan.

- **Capital Improvements.** The General Plan has policies to ensure that adequate provision of infrastructure and services are available to accommodate new housing. Policy 1.10 approves capital improvements consistent with concentrated development activity within Specific Plan areas, while emphasizing maintenance and upgrades outside targeted areas. Policy 7.4 also authorizes capital improvements which will maintain or rehabilitate infrastructure, including upgrading the water and sewer system.

For projects of community wide significance, developers may be requested to improve water or sewer infrastructure to accommodate the increased demand upon on the City's service delivery system. These impacts and the mitigation measures required are provided in the appropriate environmental documentation for each of the projects. These types of project specific mitigation measures are common for such projects and are consistently used by jurisdictions to address infrastructure concerns.

- **Site Improvements.** Site improvements cover the range of water, sewer, circulation, and other services and infrastructure needed to facilitate residential developments. To ensure adequate improvements are in place, Pasadena requires pro-rata payments for off-site extension of the water, sewer and storm drain systems, and traffic signals. Pasadena also requires the developer to construct internal streets, sidewalks, curb, gutter, and affected portions of off-street arterials and landscaping, for larger projects.

Requiring developers to make site improvements, pay pro-rata shares toward infrastructure costs, and pay for additional public services as needed will increase the cost of housing and impact the affordability of the homes. While site improvements increase housing costs, they are standard for jurisdictions. Moreover, site improvements are necessary to maintain the quality of life desired by City residents, and ensure that public services and facilities are in place at the time of need.

As part of the City's General Plan update, the City is currently preparing an environmental impact report that will review the adequacy of the City's infrastructure to ensure consistency with its projected land uses and development projections through 2020. The intent is to ensure that the General Plan policies and programs on land use, circulation, and housing will continue to be adequately supported by infrastructure and public facilities.

3. Opportunities for Energy Conservation

As residential energy costs rise, increasing utility costs reduce the affordability of housing. The City has many opportunities to directly affect energy use within its jurisdiction. Title 24 of the California Administrative Code sets forth mandatory energy standards for new development, and requires adoption of an “energy budget”. The following are among the alternative ways to meet these energy standards:

- **Alternative 1:** The passive solar approach which requires proper solar orientation, appropriate levels of thermal mass, south facing windows, and moderate insulation levels.
- **Alternative 2:** Generally requires higher levels of insulation than Alternative 1, but has no thermal mass or window orientation requirements.
- **Alternative 3:** Without passive solar design but requires active solar water heating in exchange for less stringent insulation and/or glazing requirements.

In turn, the home building industry must comply with these standards while cities are responsible for enforcing energy conservation regulations. Additional opportunities for energy conservation include various passive design techniques, including:

- Locating the structure on the northern portion of the sunniest portion of the site;
- Designing the structure to admit the maximum amount of sunlight into the building and to reduce exposure to extreme weather conditions;
- Locating indoor areas of maximum use along the south face of the building and placing corridors, closets, laundry rooms, and garages along the north;
- Making the main entrance a small enclosed space that creates an air lock between the building and its exterior; orienting the entrance away from prevailing winds; or using a windbreak to reduce wind velocity against the entrance.

Pasadena’s Water and Power Department provides utility services to residents and various energy-saving and assistance programs through “Pasadena Savings Plus.” The City’s lifeline discount program provides qualified customer (older than 62, or disabled and on limited income) a 25% discount energy charges. Project Apple provides lower income customers with a one time emergency grant not to exceed \$100 per year. Lastly, for households who qualify for the Utility Assistance Rebate, the city provides energy-efficient compact fluorescent lamps, shower-heads, fans, and replacement energy efficient refrigerators.

HOUSING RESOURCES



HOUSING RESOURCES

This section analyzes the resources available for the development, rehabilitation, and preservation of housing in Pasadena. This includes an evaluation of the amount of sites available for development, the City's ability to satisfy its share of the region's housing needs, the financial resources available to support the provision of affordable housing, and the administrative resources available to assist in implementing the City's housing programs. Pasadena is undertaking an ambitious plan to provide housing for all social segments of residents.



A. Future Housing Needs

As stated in Chapter 2, the Southern California Association of Governments (SCAG) and the San Gabriel Valley Council of Governments have assigned a portion of the region's future need for housing to each community within their jurisdiction. Pasadena's share of the region's need is 1,777 new housing units from January 1, 1998 to June 30, 2005. Pasadena's RHNA was finalized by the Department of Housing and Community Development in 2000.

The City's 1,777 unit housing allocation is divided into four affordability categories. This includes 462 very low income units, 284 low income units, 338 moderate income units, and 693 above moderate income units. State Housing Element law requires communities to identify adequate sites, along with the appropriate development standards, public services, and infrastructure that will be made available to facilitate and encourage the development of a range of housing types and prices commensurate with the regional housing need.

Communities can demonstrate that "adequate sites" will be made available in the following three ways:

1. Counting "qualified" units that are substantially rehabilitated, or converted from market to affordable rents, or preserved as affordable pursuant to AB438;
2. Counting qualified units that have been built and issued a certificate of occupancy since January 1, 1998; or
3. Demonstrating the availability and adequacy of sites and their relationship toward accommodating the City's RHNA from 1998-2005.

The remainder of this section discusses how the City will meet its regional housing needs allocation for the period of January 1998 through June 2007.

1. AB 438 Provisions

Historically, State law has required communities to facilitate and encourage the production of new housing units commensurate with their RHNA. With the passage of AB438, however, a jurisdiction may substitute up to 25% of its obligation to identify adequate sites by alternatives other than the production of housing units. This includes counting “qualified” units which are substantially rehabilitated, converted from nonaffordable to affordable, or at-risk units which are preserved. The following analyzes the applicability of these options

Substantial Rehabilitation.

One method to demonstrate that “adequate sites” are available to facilitate housing is to rehabilitate substandard housing units. Rehabilitation of substandard structures allows the City to achieve multiple goals of improving the housing stock, deterring undesirable social conditions which tend to congregate, curbing the potential spread of blight, maintaining and improving the condition of neighborhoods, and improving the quality of life of residents.

To be able to count housing rehabilitation projects toward the RHNA targets, the projects must meet stringent guidelines. Specifically, the city must have determined that the unit is at imminent risk of loss to the housing stock and found to be unfit for human habitation and vacated or subject to being vacated due to violations of the Health and Safety Code. Finally, the City must agree to provide relocation assistance and 20-year covenants to ensure the units are affordable, available, and occupied by lower income households.

Pasadena has a long history of dedicating revenues to support the rehabilitation of substandard housing units. Since 1990, the CDC has contributed \$11 million to improve 912 units, predominantly apartments. The City has also undergone comprehensive neighborhood revitalization efforts in the Lincoln Triangle, Villa Park, and North Madison Neighborhoods. However, due to the stringent rehabilitation guidelines and high implementation costs, none of the projects undertaken can qualify for credit toward the 1998-2005 RHNA.

Purchase of Affordability Covenants.

Section 65583.1 of the Government Code also allows cities to claim credit toward the adequate site requirement for facilitating the conversions of large (over 16 units) multi-family complexes from nonaffordable rents to rents affordable to lower-income households. The City must provide committed assistance by acquisition of the units or purchase of affordability covenants and restrictions. To qualify, the units must meet the following conditions:

- the units must be available at affordable costs to lower income households;
- the units cannot be currently occupied by low or very low-income households;
- the units are in decent, safe, and sanitary conditions at the time of occupancy;
- the acquisition price is below 120% of the median price for housing in the City;
- the units must have long-term affordability covenant for at least 30 years; and
- the units must be reoccupied by lower income persons.

The City currently does not have a program which meets all of these conditions. Even if eligible units were available, this provision still might not be cost-effective in Pasadena's current housing market. Recent rent surveys show that market rents have been increasing significantly, particularly in the downtown, and that rent escalation is extending into other more affordable areas of Pasadena. Under present conditions, purchasing affordability covenants would be a costly means to address the 1998-2005 RHNA.

Preservation of Affordable Units.

HCD also allows jurisdictions to satisfy their regional housing needs by preserving the affordability of low-rent housing that is publicly subsidized and which affordability controls will expire during the next five years due to termination of subsidy contracts, mortgage prepayment, or expiration of low-income use restriction. Preservation of the assisted units can be achieved by acquiring the unit or purchasing the affordability covenant for the unit with committed City assistance. However, several stringent requirements must be met:

Committed assistance is defined as a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient City funds to provide the assistance necessary to make the identified units affordable and that the units be made available for occupancy within two years of the execution of the agreement. AB438 also requires jurisdictions to document the status of their committed assistance by the third year of the planning period in the annual report on general plan program implementation.

During the Housing Element planning period (2000-2005), the City will provide committed financial assistance to help preserve the Kings Village apartment project. The project, located in the Fair Oaks Redevelopment Project Area, is one of the largest complexes serving the needs of very low and low income families in Pasadena. The City will assist Pasadena Villages in acquiring, rehabilitating and operating the 313 unit complex. When preserved, the complex will provide affordable rental housing to 31 very low and 282 low income families.



Kings Village Apartments

King's Village was initially financed with a Section 236(j)(1) loan, with the maturity in 2012. Affordability of the units was maintained through project-based rental assistance. In 1999, however, the property owners filed a notice to tenants and to HUD indicating that the project would not renew its project-based assistance. Subsequently, Pasadena Villages agreed to a Purchase and Sale Agreement with King's Villages, Ltd. Sources of funding include Low Income Housing Tax Credits (\$10.5 million), Multi-Family Revenue Bonds (\$17.6 million), Participant Equity and Project Revenues (\$2.7 million), and Pasadena CDC financial assistance of \$1.7 million. The City's loan has a 40-year maturity, but it is anticipated to be repaid in 23 years. However, as a condition for receiving PCDC assistance, a covenant will be recorded to assure continued affordability during the 40-year loan term.

2. Housing Production

State law allows jurisdictions to count actual housing production since January 1, 1998, the beginning of the planning period, toward satisfying the regional housing needs allocation. In addition, jurisdictions may count units that have received building permits and planning approvals that will be constructed and occupied during the 1998-2005 planning period. The following section highlights the major market-rate and affordable projects that have been constructed or are in the pipeline from January 1998 through December 2000.

Pasadena currently is in the midst of a building boom with over 3,171 new units having been built, under construction, or in the planning stage. New construction is a mix of housing types and prices for all social and economic segments of residents. New housing production consists of not only conventional single- and multi-family units, but also a substantial number of units for special needs groups. **Chart 4-1** details the types of projects underway in Pasadena. As of January 2002, a total of 3,171 units have been built, are under construction, or are in the planning stage for the 2000-2005 planning period. The projects are in the following status: 1,126 units have been built to date, 735 units are under construction, and an additional 1,310 units are in the planning stages.

Chart 4-1
Actual and Planned Housing Production,
1998-2002

Type of Project	Number of Projects	Number of Units
Apartments	27	2,078
Group Homes	4	4
Single-Family	104	104
Townhomes	55	615
Transitional Units	1	15
Disabled Housing	5	43
Senior Housing	4	312
Emergency Shelters	2	--
Total	200	3,171

Source: City of Pasadena, 2002

Chart 4-2 shows the actual and planned housing production by zoning district. New residential construction is occurring in residential zones, but the majority of the development is occurring in commercial zones. The affordability distribution of units was determined by reviewing covenants, density bonus applications, and public subsidies for the projects. In the residential zones, 90% of the projects are affordable only to upper income households. Projects with a first discretionary approval after September 12, 2001 are subject to the inclusionary housing requirements. For commercial projects, 9% of the new units are affordable to very low and low income households, 11% are affordable to moderate-income households, and 78% are affordable to upper income households.

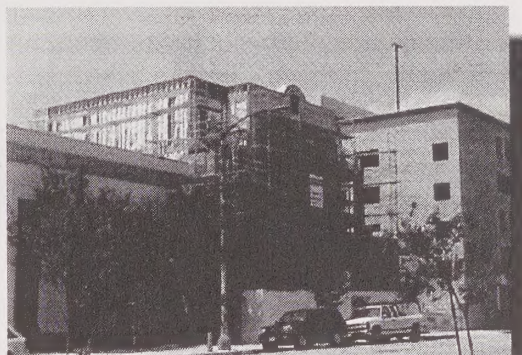
Chart 4-2
Actual and Planned Housing Production,
by District, 1998-2002

Location of Project	Number of Units
RS – Residential	108
RM-12 – Residential	14
RM-16 – Residential	41
RM-32 – Residential	166
RM-48 – Residential	29
Specific Plan Areas	2,822
Total	3,171

Source: City of Pasadena, 2002

Examples of Projects.

Market Rate Housing. The demand for market rate continues to be strong in Pasadena. For the period of January 1, 1998 through December 2001, approximately 2,500 new housing units are being built that are affordable to upper income households. Of this total, mixed residential-commercial projects have become increasingly common. During the present planning period, a total of 15 mixed-use projects comprised of approximately 1,910 units have been built or are in the planning stage. As shown here, the North Raymond project is just one example of a mixed use project.



A new mixed use facility with a 3-story 18-unit apartment built over 3,000 square feet of existing commercial space

Transit Oriented Development. Developers are proposing a project along the Gold Line rail project extending from downtown Los Angeles and terminating in Pasadena. The current project, Del Mar Train Station, will include 347 units (with 21 affordable units) constructed over 11,000 square feet of retail use. Site area is approximately 4.2 acres and was formerly a commercial parking lot. The project also a historical preservation component, and will preserve and reuse a historic 7,694 square feet rail depot building.



Del Mar Station Residential project – 347-unit project along the MTA Gold Line project

Affordable Family Housing. Local assistance is also being provided to facilitate and encourage the construction of family housing. This includes 6 townhome projects providing a total of 10 units affordable to low income persons and 36 units affordable to moderate income family households. One such example of family housing is the 48-unit Heritage Walk project. The Pasadena CDC is providing assistance to ensure that the project is affordable to moderate-income households. Other multi-family projects for families are underway.



Heritage Walk Townhomes

Special Needs Housing.

Senior Housing. The City is currently proceeding with development plans for four senior housing projects – the Fountains, Southern California Presbyterian Homes, Heritage Square, and the renovation of the historic Washington Theater. These projects will result in the development of 312 units for lower-income seniors. Beacon Housing is one example currently underway. These projects are typically financed through a variety of funding sources, including Section 202, Industry funds, Fannie Mae, CHFA HELP, AHP, HOME, CDBG, etc.



Beacon Senior Housing is a 65-unit housing project for very low income seniors with supportive services.

Emergency Shelters. Union Station's main shelter on Raymond Avenue was built in 1989 to house up to 36 single adult men at any given time. Currently, there is no space in this shelter for the increasing number of single women who seek assistance. Space is far too limited for both residents and staff, with case managers currently unable to meet privately with clients. By 2005, Union Station proposes to expand its existing shelter, doubling its size, as well as including a new 24-bed dormitory for single women.



Union Station
New Emergency Shelter



New Family Center for homeless families

In December 2000, Union Station Foundation purchased a property that will serve as the stand-alone Family Center. Located on nearly an acre of land, the property features an historic 2-story 12,000-sq. ft. Spanish Colonial Revival building, an 1,800 square foot commercial storefront, and a bank of 13 garages. When completed, the Family Center will provide food and

shelter for up to 45 family members, as well as a wide range of services. Plans have been approved by the Cultural Heritage Commission. Construction and renovation of the property began in November 2001, and the Family Center is scheduled to open in the Fall of 2002

Transitional Housing

The City assisted in the development of a 15-unit transitional housing project for homeless single parents with children, the "Euclid Villa." The project offers affordable rents to very low income persons. The project involved the rehabilitation and conversion of a school and convalescent hospital into housing. Pacific Housing Alliance and Union Station Foundation developed the project. Funding sources included the cities of Pasadena and Glendale (\$600,000 each), HUD's Supportive Housing Program (\$400,000), California Equity Fund (tax credits) of \$918,000, HomeAID Donations of \$300,000, the Weingart Foundation (\$50,000), Los Angeles Community Design Center, and various other entities.

Permanent Supportive Housing

Homes for Life Foundation is proposing to develop a 21-unit apartment building for formerly homeless mentally disabled adults. The project will provide permanent service-enriched housing affordable to very low income persons. Financing for the project is provided by a \$1.8 million grant from the U.S. Department of Housing and Urban Development. This project is the third such project in Pasadena, with the other two having been produced in 1989 and 1999. The proposed project site consists of a 24,375 square feet and calls for the demolition of four single-family residences built in the early 1950s. The site is zoned RM-32 and with a density bonus, permits 23 units.



Ashtabula project will provide one-bedroom living units for 21 formerly homeless mentally disabled adults with permanent, affordable and service-enriched housing.

Group Homes for Disabled Persons

Pasadena has an aggressive program for ensuring that housing is available for all its residents, regardless of status. During the 2000-2005 planning period, Pasadena will be supporting the construction and/or rehabilitation of four group homes for developmentally disabled persons. Pasadena will support the following facilities: 1) Chester House; 2) Wynn House; 3) Sierra Rose, 4) Navarro House, and 5) Villa Street. Each home will serve six developmentally disabled adults. Although the City actively supports the development of housing for persons with disabilities (in compliance with the recent passage of SB520 which requires communities to remove impediments for housing for persons with disabilities), these units are group quarters and thus currently ineligible to be counted toward the RHNA for Pasadena.

3. Availability of Sites

According to State law, the Housing Element is required to identify a sufficient number of sites, along with the appropriate development standards, infrastructure, and public services that will be available to encourage and facilitate the development of affordable housing for all economic segments of the community. This section provides an inventory of vacant and underutilized land suitable for residential development over the 2000-2005 planning period.

Development on Residential Land.

Pasadena currently has 457 acres of vacant residentially-zoned land, of which a total of 97% is in the Linda Vista area. The Linda Vista area is bounded by the Devil's Gate Dam to the east, and steep hillsides to the west and the north, and State Route 134 to the south. Residential development potential in the Linda Vista planning area is very limited. The vacant sites are known to contain significant environmental constraints, including high fire hazard zone, hillsides with significant faulting, slope instability, and flood hazards. Thus, little residential development is anticipated to occur in the Linda Vista area.

Although the City has very limited capacity on vacant, residentially-zoned land, there is a substantial potential for new residential development on underutilized residential sites in existing neighborhoods. Underutilized sites typically refer to parcels that are developed with residential structures that were built at a significantly lower density than permitted under current zoning. Typical examples include those parcels which zoned for multi-family development, but which have single-family units and/or smaller apartment buildings on them.

Two methods were used to derive the remaining development capacity in residential zones. First, an analysis was conducted utilizing the City's parcelized database. This estimate was compared to the number of new residential units authorized by the 1994 General Plan Land Use Element. Each method is briefly described below:

- **Theoretical Maximum.** To determine the maximum number of units that could be built in residential zones, the City analyzed vendor data on existing uses, coupled with site-by-site surveys. Development capacity was estimated by multiplying the amount of available acreage by the maximum density allowed. However, a residentially zoned parcel was considered underutilized only if the existing density (or number of units) on the parcel could be doubled. Second units were excluded.
- **General Plan Maximum.** Although the maximum theoretical capacity is approximately 5,000 new residential units (after counting for recent production since 1994), the 1994 Land Use Element set a lower maximum carrying capacity. Specifically, the 1994 Land Use Element specified a maximum development capacity of 3,431 new residential units. Counting recent production of 532 new units since 1994 yields a remaining development capacity of 2,899 new residential units.

Chart 4-3 summarizes the theoretical development capacity in residential zones with the amount capped by the 1994 Land Use Element. Also included is the number of units that have been constructed since 1994. Taken together, the General Plan allows an additional 2,899 new units in residential districts.

Chart 4-3
Development Potential on Residential Land

Zoning District	Acres	Maximum Density (du/acre)	Development Capacity		Built Since 1994	Remaining Capacity
			Under-utilized Analysis	1994 General Plan Capacity		
RS 1-6	n.a.	n.a.	n.a.	390	156	234
RM-12	130	2 units/lot	773	508	18	490
RM-16	166	Up to 16	1,075	666	84	582
RM-32	130	Up to 32	3,102	1,266	227	1,039
RM-48	30	Up to 48	655	601	52	549
Total			5,605	3,431	532	2,899

Source: City Parcelized database; City Zoning Ordinance (2000)

Development on Commercial Land.

The 1994 Land Use Element was designed to target new residential development in focused areas or specific plans, within proximity to major transportation corridors and activity nodes. Of the 11,021 net new market-rate residential units recognized in the 1994 Plan, 7,345 units (67 percent) are assigned to specific plan areas. Affordable units were not included in these intensity standards. The General Plan anticipates the recycling of developed sites, parking lots, and scattered infill sites – all within the existing fabric of city.

The following is a description of the specific plan areas, including acreage, type of housing permitted, and applicable incentives for affordable housing. All of the specific plans are zoned for multi-family development, primarily above 32 units per acre.

- **South Fair Oaks Biomedical and Technology Specific Plan.**

This specific plan covers 122 acres and has a total development capacity of 300 units. The Specific plan encourages biomedical and other technology-based development near the Huntington Memorial Hospital. Residential-type development, especially continuing care, is permitted in a portion of the specific plan area bordering a multi-family residential neighborhood and near the hospital. Citywide affordable housing incentives, requirements, and programs apply.

- **North Lake Specific Plan**

This specific plan covers 107 acres and has a development capacity of 500 net new units, not including affordable units. The specific plan will guide the transition of a strip commercial corridor toward mixed-use development that is more compatible with the adjacent residential neighborhoods and more supportive of pedestrian activity. Additional height is permitted for residential floors of mixed-use projects. Citywide affordable housing incentives, requirement, and programs apply.

- **East Pasadena Specific Plan**

This specific plan covers 260 acres and has a total development capacity of 500 net new units, with interim limit of 235 pending transportation system improvements and not including affordable units. The specific plan guides changes in an area that was a center of post-World War II suburban technology and retail development. The light rail station provides an opportunity for residential development and other uses that can be transit-oriented. New technology-based uses are encouraged. Citywide affordable housing incentives, requirement, and programs apply.

- **West Gateway Specific Plan**

This specific plan covers 104 acres and has a total development capacity of 1,016 net units. The specific plan provides opportunities for the reuse of the Ambassador College campus and supporting properties as well as other historic properties at the Colorado Bridge entry to the city. It provides for conversion between residential and nonresidential development, so the number of residential units could exceed 1,300. Citywide affordable housing incentives, requirements, and programs apply.

- **Fair Oaks/Orange Grove Specific Plan**

This specific plan covers 171 acres and has a development capacity of 550 net new units. The specific plan will provide opportunities for new investment in an area where government economic assistance has been necessary in the past. It encourages mixed-use development when the existing commercial structures are replaced. Because aging, low-cost units as well as subsidized and restricted units have been concentrated in and near the plan area, affordable units are included within the total net new units to help disperse units more evenly throughout the city. Citywide affordable housing incentives, requirements, and programs apply.

- **East Colorado Specific Plan (in preparation)**

This specific plan covers 96 acres and has a development capacity of 750 net new units, not including affordable units. The specific plan area is the eastern three miles of Colorado Boulevard, formerly Route 66. The plan will provide opportunities for mixed-use development in this commercial corridor and for residential development near a new light rail station. Citywide affordable housing incentives, requirements, and programs apply.

- **Central District Specific Plan (in preparation)**

This district has a total development capacity of 5,095 net new units, not including affordable units. Proposed intensity standard will regulate FAR of residential and nonresidential combined, without setting a limit on residential development, so residential total may exceed original intensity standard for residential alone. The Central District is Pasadena's downtown area, with a mix of housing, offices, retail, and other nonresidential uses (e.g., art museums). It will be served by three light rail stations. The Plan will facilitate development of the downtown in a changing marketplace, with an emphasis on locating residents near work, shopping, and light rail service. Housing for seniors continues to be built in the Central District, at all income levels. Citywide affordable housing incentives, requirements, and programs apply. Use of the affordable housing density bonus is especially common.

Taken together, the City has a total of 8,711 net new units allowed in the specific plan areas. However, since the Land Use Element was updated in 1994, a total of 2,684 new housing units have been proposed and/or built since 1994. Of this total, 825 units have been built, 721 units are under construction, and 1,310 units are in the planning stages. **Chart 4-4** below summarizes the remaining residential development capacity of 6,067 units in the specific plan areas, the planned types of housing and permitted density.

Chart 4-4
Specific Plan Development Potential

Specific Plan Area	Existing Acres	Planned Housing Types	Development Capacity (Units)	Pipeline Projects (Units)	Remaining Capacity (Units)
Central Business District		Multi-family: 32-87 du/ac	5,095	2,392	2,703
So. Fair Oaks Biomed & Tech.	122	Residential: Continuing care	300	--	300
West Gateway	104	Multi-family: Up to 60 du/ac	1,016	0	1,016
East Pasadena	260	Multi-family: 32-60 du/ac	500	0	500
East Colorado	96	Multi-family: 32-60 du/ac	750	0	750
North Lake	107	Multi-family: 32-48 du/ac	500	59	441
Fair Oaks/Orange Grove	171	Multi-family: 32-48 du/ac	550	193	357
Total			8,711	2,644	6,067

Source: Pasadena General Plan, 1994; Planning Department, 2002.

Recycling Activity Since 1998

Because of the scarcity of vacant land in Pasadena, new residential development will generally be the result of recycling of underutilized commercial sites. The high demand for housing (as evidenced by low vacancy rates and higher per square foot prices for residential uses), has resulted in the recycling of commercial sites to residential uses. The larger projects in the city, which represent the great majority of new residential development, are on sites that were formerly restaurants, retail, and other commercial uses.

Examples of recent projects which are completed or in the pipeline are as follows:

- 325 East Cordova Street: 11 very low income and 124 market-rate rental units in mixed use project, using density bonus on site zoned for 87 units/acre plus the bonus. Site was formerly a pharmacy. Currently leasing.
- 160 East Corson Street: 12 very low income and 131 market rate apartments in mixed use project, using density bonus on site zoned for 87 units/acre plus bonus. Commercial site was formerly vacant. Under construction.
- 720 East Colorado Boulevard: 10 very low income and 110 market rate rental units in mixed use project, using density bonus on site zoned for 87 units/acre plus bonus. Site was formerly a bank, travel agency, and restaurant. Building permit issued.
- 801 East Walnut Street: 214 market rate rental units, on site zoned for 87 units/acre. Site was formerly a restaurant. Occupied.
- 300 East Colorado Boulevard: 387 market rate rental units in open mixed-use retail and entertainment development. Site was formerly enclosed retail mall. Leased.
- 240 South Raymond Avenue (Gold Line Light Rail Station): 335 rental units subject to new 6 percent interim inclusionary housing in mixed use project, on site zoned for 87 units/acre. Site was formerly a commercial parking lot. Under construction.
- 635 East Colorado Boulevard: 304 rental units subject to new 6 percent interim inclusionary housing requirement in mixed-use project, on site zoned for 87 units/acre. Site was formerly commercial parking and retail. In review process.
- 41 East Orange Grove Boulevard: 12 units in mixed-use project, on site zoned (CL) for Limited Commercial with residential at 32 units/acre.
- 70-unit TELACU senior project, which is affordable to very low income households. The project was built in the Central District with a permitted density of 87 units per acre. After adding a 48% density bonus, the project totaled 127 units per acre.

To facilitate affordable housing, the City utilizes a combination of fee waivers, land writedowns, federal or state affordable housing assistance, and the density bonus program to facilitate and encourage a range in types and prices of housing. Since January 1998, the City's programs have contributed to 17 units being built for every one unit demolished. Because of this trend, recycling activity in commercial districts is expected to continue.

4. Summary of Compliance with the RHNA

Over the past three years, the City has been successful in facilitating and encouraging a range in types and prices of housing to accommodate all economic segments of residents. As stated earlier, the City's share of the region's housing needs is 1,777 new units, which specific allocations assigned to be affordable to very low, low, moderate, and upper income households. The following summarizes the City's progress in meeting these goals.

From the period of January 1, 1998 through December 31, 2001, the City of Pasadena has been in the midst of a building boom. In tandem, with proactive policies, the City has facilitated and encouraged the construction of a significant number of residential units. Approximately 1,400 were built during this time, and another 1,467 are approved for development or are pending approvals. The affordability of these units is as follows: 8% very low income, 2% low income, 11% moderate income, and 80% upper income.

Unlike many jurisdictions, the City will use AB438 provisions to preserve the affordability of a large family housing project in Pasadena. The City will actively assist in the preservation of the Kings Village Apartments, a 313-unit project located in the Fair Oaks Redevelopment Project Area. By the end of the planning period, the project will continue to provide 31 very low income units and 282 low income units for families. This project demonstrates the commitment of Pasadena to preserve housing for very low and low income families.

The City has remaining development capacity of 6,067 units in specific plan areas and 2,899 units in residential areas. It is difficult to estimate the number of units, by affordability level that may be constructed, because of uncertainty of market conditions and how the inclusionary requirements might be met over time in different sectors of the community. In the absence of data on inclusionary units, the affordability distribution of units credited from 1998 to 2001 can approximate the likely affordability of housing through 2005.

Chart 4-5 summarizes the results of this analysis. Pasadena has sufficient capacity to meet its housing production goals by affordability level for the 2000-2005 planning period.

Chart 4-5
Comparison of RHNA and Adequate Sites

Household Income Level	RHNA (1998-2005)	Units Built or Approved since 1998	Development Capacity (Units)	Deficit (Units)
Very Low Income	462	271	697	0
Low Income	284	342	880	0
Moderate-income	338	336	864	0
Upper Income	693	2,523	6,494	0
Total Units	1,777	3,472	8,966	0

Source: City of Pasadena, 2002.

C. Financial Resources

Pasadena has access to a variety of existing and potential funding sources available for affordable housing activities in Pasadena. They include programs from local, state, federal and private resources. The following section describes the five largest housing funding sources currently used in Pasadena – redevelopment set-aside funds, HOME, and CDBG sources.

1. Community Development Block Grant (CDBG) Funds

The Community Development Block Grant (CDBG) program provides federal funding for a range of community development activities. The program is flexible in that the funds can be used for a range of activities. The eligible activities include, but are not limited to: acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction (under certain limitations) of housing, homeownership assistance, and also clearance activities. Pasadena currently receives \$2.5 million in funding from the CDBG program. Of the total CDBG allocation, the City allocates \$340,000 for code enforcement activities and another \$400,000 for the MASH program.

2. Redevelopment Housing Set-Aside

State law requires the Pasadena Community Development Commission, the City's redevelopment agency, to set-aside 20% of all tax increment revenue generated from redevelopment projects for affordable housing. The City's 20% set-aside funds must be used for activities which increase, improve, or preserve the supply of affordable housing. Housing developed under this program must remain affordable to the targeted income group for at least 15 years for rentals and 10-years for ownership housing. Pasadena's current set-aside contribution to its Housing Trust fund is \$1.6 million annually. Over the past five years, average annual contributions to housing uses were as follows: \$80,000 for homeless programs, \$489,000 for ownership housing, \$106,000 each for rehabilitation and rental housing, \$400,000 for Centennial Place, and \$450,000 for reserves and administration

3. HOME Investment Partnership Program

Under federal law, Pasadena is an entitlement jurisdiction for the HOME Program. HOME funds can be used for activities that promote affordable rental housing and lower-income homeownership, including but not limited to the following: building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time homebuyer assistance, and tenant-based assistance. Federal law requires that HOME funds be used for housing activities that target certain income groups, such as lower income families in particular. Moreover, a city must also provide matching contributions on a sliding scale: 25% local share for rental assistance or rehabilitation, 33% for substantial rehabilitation, and 50% for new construction. Pasadena anticipates annual contributions of \$1.15 million.

4. Fannie Mae

In 2000, Fannie Mae awarded Pasadena \$6.5 million from the American Communities Fund (AFC) to increase the production, rehabilitation and preservation of affordable housing in the Northwest Pasadena Target Area (\$5.0 million and \$1.5 million citywide), with an emphasis on low, moderate and middle-income units. The funding will be targeted for low interest loans to (1) rental property owners to rehabilitate units to be provided as affordable to lower income tenants, and (2) developer-sponsors of new construction of affordable housing units. The program's new production goals include the construction of affordable single family homes, multifamily homes, rental housing, and mixed-use developments.

5. Section 8 Rental Assistance

The federal Section 8 program provides rental assistance to very low income persons in need of affordable housing. The Section 8 program offers a voucher. A voucher pays the difference between the payment standard (an exception to fair market rent) and what a tenant can afford to pay (e.g. 30% of their income). A voucher allows a tenant to choose housing that may cost above the payment standard, with the tenant paying the extra cost. Currently, the City of Pasadena receives approximately \$8 million annually for this program. Like many jurisdictions, however, the demand for rental assistance in Pasadena is very high, with at least 3,200 applicants on a waiting list at an average waiting time of 4 years.

6. HELP Program

The California Housing Finance Agency (CHFA) recently created its Housing Enabled by Local Partnership (HELP) Program. The HELP Program provides loans at 3% interest for a maximum 10-year term. CHFA loans are made to property owners for eligible affordable rental housing projects requiring rehabilitation. In 1999, the Pasadena Community Development Commission received \$1.0 million in funds to supplement its Rental Rehabilitation Program. The Commission loans funds at the same rate to apartment owners to improve their housing stock. The City is considering options for funding the Washington Theater Senior Housing.

7. Special Needs Housing

Pasadena has 19 facilities and over 310 beds that provide emergency shelter, transitional housing, and supportive housing arrangements for the homeless population. Over the next five years, the City is financing the renovation of a school to a transitional housing project. In addition, Union Station is expanding its main shelter by adding a new women's dormitory and is rehabilitating a residential use for a new homeless family center. According to the City's Public Housing Agency Plan, the City provides funding for homeless persons as follows: \$170,000 in HOME funds for tenant based rental assistance, \$230,000 in Shelter Plus Care funds, \$84,000 in HOPWA for persons with AIDS, \$636,000 in SHP funds for sites for transitional housing, \$89,000 in ESG funds, and a match of \$89,000 in Housing Trust funds.

D. Administrative Resources

An alternative to providing subsidies to existing owners to keep units available as low-income housing is for public or non-profit agencies to acquire or construct housing units to replace “at-risk” units lost to conversion. Nonprofit ownership assures that the units will remain as low-income housing. The following describes active non-profit agencies who may have the capacity to purchase at-risk projects in Pasadena.

Pasadena Neighborhood Housing Services. The Pasadena Neighborhood Housing Services (PNHS), a nonprofit development corporation, administers a residential rehabilitation program on behalf of the City. PNHS leverages CDBG funds through the sale of CDBG-funded rehabilitation loans on the secondary market through Neighborhood Housing Services of America, which allows for a more expedient replenishment of the housing loan funds. PNHS also receives funds under the California Housing Rehabilitation Program.

Pacific Housing Alliance. Pacific Housing Alliance is a Community Housing Development Organization (CHDO), certified by the State Department of Housing and Community Development. Pacific Housing Alliance just recently completed its first affordable housing development project in Pasadena, with the acquisition and restoration of a 143-unit apartment project called Centennial Place. Pacific Alliance also completed a 15-unit transition housing project, called Euclid Villa, for women and families with children.

Salvation Army. The Salvation Army develops senior housing, transition housing, emergency shelters, and other subsidized housing throughout the Southern California area. Recently, the Salvation Army was awarded a \$4.9 million Section 202/811 loan from HUD to construct a 75-unit, 5-story building for elderly and disabled housing. Very low-income residents will receive rental assistance through the Section 8 program. City HOME Program and Housing Trust funds were used to finance the project.

Homes for Life Foundation. Homes for Life Foundation (HFLF) was formed as a housing corporation in 1986, and as a 501(c)(3) tax exempt organization in 1987. HFLF is dedicated to establishing a network of permanent, affordable, service-enriched housing within Los Angeles County for individuals with chronic mental illness, those who are homeless or at imminent risk of becoming homeless. HFLF is committed to providing permanent housing which incorporates client centered rehabilitation and case management services to serve disadvantaged persons. Homes for Life currently owns two additional homes for mentally ill adults in Pasadena, including the Wilson House and the Madison House.

Affordable Housing Services. AHS is a nonprofit affordable housing sponsor established in 1993. AHS manages a number of supportive housing projects including five sober living facilities varying in client capacity from 6 to 25 residents. Villa Esperanza (House of Hope) was founded in 1961. Villa Esperanza is an educational, vocational, residential and social services center for infants through seniors. They serve the San Gabriel, San Fernando, and Conejo Valleys. Villa Esperanza owns and manages 13 adult residential projects providing 136 disabled persons within a home in a residential setting.

HOUSING PLAN



HOUSING PLAN

Chapter 2 of the Housing Element reviewed the City's population characteristics and housing stock to determine the extent of housing needs. Chapter 3 and 4 detailed the various constraints and opportunities to addressing this identified need. Chapter 5 is the Housing Plan. This section begins with an evaluation of the accomplishments of the 1989 Housing Element. Following the assessment, the Housing Plan presents the goals, policies, and programs to address the City's housing needs during the 2000 to 2005 planning period.



A. Program Evaluation

An important step in developing a future housing strategy is an evaluation of the success of the 1989 Housing Element in addressing identified housing needs. This section reports on the progress made in implementing adopted programs, their effectiveness in addressing housing needs, and the continued appropriateness of each program for the present planning period. Following this evaluation are the goals, policies, and programs for 2000-2005.

The 1989 Housing Element was organized around three goals: (1) housing and neighborhood conservation; (2) provision of adequate housing; and (3) provision of affordable housing. **Chart 5-1** lists the quantified objectives set forth in the 1989 Housing Element and the following discussion describes the City's progress and effectiveness toward meeting those goals, and the continued appropriateness of those programs.

Chart 5-1
Quantified Objectives for the 1989 Housing Element

Target Household Income Levels	Housing Issues (Number of Units)		
	Rehabilitation	Production	Conservation
Very Low Income	300	200	1,243
Low Income		320	
Moderate Income	750	230	0
Upper Income	0	1,250	0
Total	1,050	2,000	1,243

Source: 1989 Housing Element

1. Housing and Neighborhood Conservation

A major theme of the 1989 Housing Element was to improve and preserve the quality of the City's housing and neighborhoods. To address this goal, the City implemented three major efforts: (1) code enforcement programs to ensure that housing is maintained; (2) rehabilitation loan programs for single- and multi-family properties; and (3) neighborhood improvement to address larger portions of the community among other programs. These programs were designed to conserve the character and quality of neighborhoods.

Significant progress has been made in maintaining and improving the existing housing stock since the last Housing Element was adopted. Code enforcement activities were implemented on a citywide basis, in CDBG-targeted neighborhoods, along distressed corridors, and in Redevelopment Project areas (e.g., the Northwest Sector). Under the current menu of programs, inspections have been done on new construction, homes changing occupancy, and on multi-family units every four years. Taken together, code enforcement personnel inspect an average of 6,000 existing residential units on an annual basis.

While code enforcement is an effective means for identifying substandard structures, the City also provides funds to finance the repair and rehabilitation of residential structures. Since 1990, the CDC has contributed \$11 million to improve 912 units, predominantly apartments. As a condition for receipt of funding, affordability covenants for at least 15 years are placed on single-family units and at least 30 years for apartments. The City has partnered with Pasadena Neighborhood Housing Services, Heritage Partners, and Pacific Housing Alliance among others. In all, the City largely met the goals set forth in the 1989 Housing Element.

Certain areas of the City experience larger-scale problems beyond code enforcement. Thus, the City initiated a Neighborhood Revitalization Program comprised of a partnership of residents, community groups, non-profits, businesses and city staff. Comprehensive neighborhood cleanups were completed in the Lincoln Triangle (1994), Villa Park (1996), and North Madison (1999) neighborhoods. Examples of accomplishments are as follows. In Villa Parke, 40 residential units were rehabilitated, 12 low-moderate income units were built, 800 housing units were inspected, collected 265 tons of bulky trash, renovated park facilities, established a satellite Police office, and made various street improvements. In the Madison area, the City rehabilitated 10 homes, inspected 800 units, removed 700 incidents of graffiti per month, enhanced street cleaning and waste management services, increased police patrols, and completed various street rehabilitation and maintenance projects among others.

Taken together, the City's housing stock improvement policies have been largely effective in maintaining, improving, and conserving the City's affordable housing stock. Neighborhood revitalization programs have also largely been successful in targeting problem areas of the community. Because of this success, the current menu of programs for housing and neighborhood conservation will be continued throughout the remainder of the 2000-2005 planning period covered by the 2000 Housing Element.

2. Provision of Adequate Housing Supply

For the 1989-94 Housing Element planning period, the Southern California Association of Governments assigned each community their share of the region's future housing needs attributed to population and job growth. Pasadena's share of the region's future housing need was 3,392 units for the planning period of July 1989 through June 1994. The Regional Housing Needs Assessment required that a portion of the new units be affordable to lower income households (43%), moderate income (18%), and upper income (39%) households.

In addressing the RHNA, communities are not required to finance or build new housing, but rather encourage the development of housing through local government programs. To address the RHNA, the 1989 Housing Element set forth various policies to stimulate production of housing: (1) identifying sufficient vacant and underutilized land; (2) removing government constraints, (3) enacting regulatory incentives under the Growth Management Initiative (GMI); and (4) providing public subsidy of affordable housing.

Progress toward these goals has been mixed. On one hand, the City identified sufficient land, zoned at the appropriate density, to accommodate the development of housing. Moreover, the density bonus program was strengthened to allow up to a 50% bonus in certain specified districts and provide for a waiver of certain development standards or reduction in fees to accommodate affordable housing. However, the proposed programs under the GMI (e.g., linkage fee, project prioritization, etc.) were not undertaken, because GMI was terminated by Pasadena voters.

Another way to measure progress is to examine the number of housing units built. According to the State Department of Finance, a total of 1,142 new housing units were built between January 1, 1990 and December 31, 1997. Specific sales prices of the units are not available; however, the affordability of units can be estimated as follows:

- Pasadena restricted 253 apartments to lower-income households and 10 town homes to lower-income households, which are included below
- 938 apartment units were constructed which, based upon the affordability matrix, are generally affordable to low- and moderate-income households.
- 147 attached condominiums and town homes were built, which are generally affordable to moderate- and upper income households
- 56 single-family homes were constructed which are generally affordable to upper-income households, unless publicly subsidized.

Several factors were responsible for the shortfall in housing production. First, the RHNA targets were based upon a projection of growth rates that were artificially inflated by continuing federal tax credits, a continuing strong and rapidly inflating housing market, and optimistic employment projections. Following adoption of the RHNA, Southern California was affected by military base closures, a severe economic recession, and significant depression of home values. Therefore, without sufficient underlying demand for new housing, the RHNA planning goals assigned by SCAG were unachievable.

3. Provision of Affordable Housing

In addition to housing production, the 1989 Housing Element specified several policies to encourage the production and conservation of affordable housing for low and moderate income households and populations with special housing needs. Specifically, the City included various measures to (1) provide rental and homeownership assistance; (2) provide and support special needs housing; and (3) implement fair housing services.

Pasadena provides Section 8 rent assistance to 1,315 very low-income households annually. Maintaining rental assistance has been problematic given recent changes in HUD regulations coupled with escalating rents in the rental market. As rents began to rise, however, the City successfully increased the payment standard on numerous occasions to keep rental assistance in line with market rents. Nevertheless, 10% of voucher holders were unable to find housing in Pasadena. To help transition renters into homeowners, the CDC and nonprofit groups have provided homeownership loans to an estimated 300 households since 1990.

Over the 1990-1997 period, Pasadena subsidized new housing opportunities for very low, low and moderate income households. These included 232 very low income units, 31 low income units, and 65 moderate income units. Of these totals, 17% of the units were townhomes and other single-family homes, and 44% were affordable very low income rental units for senior households. Significant numbers of special need housing were also provided, including licensed community care facilities, transitional housing, and senior housing.

Pasadena also made extensive progress in addressing the needs of homeless residents. In 1992, the City conducted a comprehensive post-Census survey, developed a continuum of care program, and committed significant funding to addressing homeless needs. Today, approximately 531 beds for homeless persons are available, many of which are in permanent supportive housing. Progress was most evident in 1996, when HUD awarded a "Blue Ribbon Practices" for the City's program to serve the needs of the homeless population.

Pasadena has made significant progress in encouraging fair housing practices. In 1997, the City Council amended the Zoning Code to comply with federal and state law. The amendments redefined charitable institutions, added new housing use categories for emergency shelters and transitional housing, and removed inconsistencies with the State Housing Code. Moreover, the Code added a definition of disability and created a mechanism to grant reasonable modifications to the strict requirements of the Zoning Code where necessary to avoid discrimination against individuals with disabilities.

Altogether, significant progress has been made in the provision of housing assistance. For the planning period, Pasadena will expand its efforts by making available \$78 million for affordable projects through the NOFA process, funding supportive housing for special needs populations, expanding homeownership opportunities through Fannie Mae programs, rental rehabilitation assistance, and targeting efforts in the Northwest. Because of rising rents citywide, Pasadena will work with property owners to preserve publicly assisted and affordable housing units at-risk of losing affordability controls.

Chart 5-2
Summary of Accomplishments

Programs and Objectives		Summary of Accomplishments
GOAL #1: HOUSING SUPPLY		
Objective s were as follows: 1) net Addition of 2,000 new housing units. 2) improve utilization of existing housing and underutilized land, 3) continue to provide for the special housing needs, and 4) continue to provide for special housing needs of the homeless		
	Lower- Income -- 520 Moderate- Income -- 230 Upper Income -- 1,250	263 subsidized units 65 subsidized + 938 apartments 203 single-family units & townhomes
A1	Re-introduce R-2 Zone so as to permit construction of two units per lot	Introduced as RM-12 Zone and adopted by Ordinance in 1994
A2	Amend zoning Code to permit granny flats or second units on residential properties	Option was investigated but City Council deemed inappropriate
A3	Amend Zoning Code to allow mixed use development in certain commercial zones.	Zoning Code was amended to permit mixed use in the CO and CL districts. Since enactment, the following mixed use projects were completed: 39 Orange Grove is an example, providing five low and 7 moderate rate units
A4	Encourage housing that can be adapted for senior citizens and disabled persons	PCDC approved the Affordable Housing Initiative in 1997. Six projects totaling 193 affordable units for senior/disabled persons are approved: Pasadena Accessible Apts. (12 units), Villa Apts. (5 units), Villa Esperanza (5 units), Heritage Square (106 units), and Beacon Senior (65 units).
A5	Develop strategy to protect the tenants of buildings which will no longer be required to comply with HUD 236 mortgage requirements.	PCDC assist potential displaces by negotiating with HUD for an increased allotment of Section 8 rental vouchers, and offering the vouchers to the tenants. This strategy assisted 24 potential displaces (98% of total tenants) for two HUD 236-financed projects (Sky Vista and La Villa Lake) which converted to market rates.
A6	Promote shared housing for seniors and persons with disabilities.	The Senior Center and Pasadena Community Development Commission now operate Share-A-Home program.
A7	Continue funding emergency shelters and encourage development of transitional sites	According to the City's Public Housing Agency Plan, the City provides \$170,000 in HOME tenant based rental assistance), \$230,000 in Shelter +Care funding, \$84,000 in HOPWA funding, \$636,000 in SHP funding, \$89,000 in ESG funds, and a match of \$89,000 in Housing Trust funds.
A8	Amend Zoning Code to allow emergency shelters in multi-family districts	City Amended Code in 1998 to allow for transition housing in all multi-family districts and in most commercial districts. Emergency shelters were also allowed in commercial districts pursuant to a CUP. Pursuant to the amended

Chart 5-2
Summary of Accomplishments

Programs and Objectives		Summary of Accomplishments
		zoning code, Union Station will open a 40-bed transition housing project for families with children by end of this year.
A9.	Amend Zoning code to define and provide appropriate standards for SROs.	City amended and incorporated building standards into the Zoning Code in 1993. In 1997, the City assisted in the rehabilitation of 50 SRO units at Centennial Place.
GOAL #2: AFFORDABLE HOUSING		
Objectives included the following: 1) develop 750 new low- and moderate- income units, promote rehabilitation of 300 housing units, 3) regulate demolitions and conversions, and 4) encourage development of affordable housing by nonprofits		
A10-A12	Under GMI, develop affordable housing linkage fee and benefit assessments.	Efforts undertaken with the GMI, but terminated with repeal of GMI.
A13	Promote and encourage the density bonus program	The City revised the density bonus ordinance to allow regulatory and financial incentives and to allow 50% density bonus in specific districts
A14	Expand the homeownership opportunities to citywide application	Program activity initiated in fiscal year 1997-1998. Under the HOP Program, 77 homebuyers have been assisted, 66 of whom acquired homes located outside the redevelopment project areas.
A15	Adopt a Notice of Availability procedure to identify housing developers	NOFA process developed and initiated in fiscal year 1997-1998. For the 1997-1998 NOFA, 139 affordable units were assisted. For the 2001-2002 NOFA, 418 affordable units were assisted.
A16	Develop a loan program for low-income households to meet security deposits	Initiated in 1995 via Home Tenant-based rental assistance program for emergency housing. A limited number of households were assisted. The City will be reevaluating this program during the upcoming planning period.
A17	Expand City authority to develop, own, and manage affordable housing through referendum under Article 34	Program activity not initiated. Presently, all affordable housing projects to date have been structured for exemption from Article 34.
A18	Explore innovative financing mechanisms and ownership forms, such as limited equity cooperatives and creative public/private lending partnerships, to expand low/moderate income homeownership opportunities.	City partnered with BofA and a local non-profit to provide below market rate rehabilitation loans for homeowners. City used its set-aside monies to leverage \$8.5 million in Fannie Mae and CHFA funds. City also participates with the L.A. County and CCHOA to provide tax credit benefits and lease-to-purchase opportunities for homeowners.
A19	Target housing opportunities to residents and/or persons employed in Pasadena	All assisted affordable housing projects require such outreach
A20	Provide affordable rehabilitation financing for low-income rentals utilizing the HUD Rental Rehabilitation	CDC provided zero-interest loans to property owners who lease affordable rentals to lower-income households. 116 units were rehabilitated.

Chart 5-2
Summary of Accomplishments

Programs and Objectives		Summary of Accomplishments
	Program administered by the Commission's Section 8 program.	This program was discontinued in 1991 with HOME Rental Rehabilitation Loan Program, under which 54 units have been rehabilitated.
A21	Require one-for-one replacement when affordable housing is demolished	Efforts undertaken with the GMI, but terminated with repeal of GMI.
A22	Permit Cultural Heritage Commission to review historic homes for demolition	Ongoing
A23	Provide technical assistance and start up funds to assist nonprofit developers in building affordable housing	The City provided seed money to PHNS and Pasadena Housing Alliance for predevelopment costs related to specific projects, resulting in 15 transitional housing units completed and 30 special needs housing units in the planning stage.
GOAL #3: HOUSING AND NEIGHBORHOOD QUALITY		
Objectives include the following: 1) Systematically inspect housing units; 2) rehabilitate 750 units, and 3) ensure high quality multi-family developments.		
A24	Continue to implement Occupancy Inspection and Quadrennial Inspection program	2,288 homes inspected in 1999/00; 4,265 apartments were inspected
A25	Provide information and assist zoning code violators to facilitate correction of violations	Ongoing
A26	Concentrate code enforcement in major pockets of blight or deteriorated conditions	Implemented in Neighborhood Revitalization Program and NW Pasadena. A sample of the many accomplishments was detailed earlier.
A27	Study the issue of Overcrowding and develop strategy to reduce the problem	Not Initiated
A28	Expand MASH program to include minor repair work; investigate citywide application.	Expanded citywide, but limited to seniors only. Since 1989, the City has painted 326 homes, installed deadbolts/locks on 254 homes, and built ramps or replaced screens for 89 units.
A29	Combine Housing Authority and Development Department funds for rental rehabilitation	Initiated and Ongoing
A30	Have the Housing Authority to continue to operate the deferred loan program.	In 1989, all affordable housing activities were consolidated under the CDC.
A31	Continue to target rehabilitation assistance programs in Northwest.	Initiated and Ongoing
A32	Continue to Implement the City of Gardens Multifamily standards.	Have been implementing the Gardens Ordinance since 1989. The City has begun an evaluation of the Gardens Ordinance and its impact on the cost of housing development. The study is expected to be completed in nine months.
A33	Monitor the compliance of surrounding jurisdictions with their RHNA.	Not Initiated

B. Housing Goals and Policies

This section of the Housing Element contains a brief overview of the key issues from Chapter 2, the Needs Assessment, as well as the goals and policies that Pasadena intends to implement to address the community's housing needs. Chapter 5 follows with a discussion of the various housing programs that are designed to implement the City's forthcoming policies as well as quantified or qualitative objectives for each program.

The following section addresses the community's overall housing goals and the specific policies designed to achieve each goal. The housing goals and policies were developed through an extensive and inclusive public participation process. Participants included members of the Housing and Homeless Network, the Senior Advocacy Council, nonprofit affordable housing developers, and others with a special interest in the needs of people with lower-incomes. As described in Chapter 1, this process included at least four stakeholder meetings on the Housing Element, City Council hearings, and various commission hearings. Based upon this input, the City's **housing vision** is as follows:

All Pasadena residents have an equal right to live in decent, safe, and affordable housing in a suitable living environment for the long-term well-being and stability of themselves, their families, their neighborhoods, and their community. The housing vision for Pasadena is to maintain a socially and economically diverse community of homeowners and renters who are afforded this right.

Pasadena shall achieve this vision by utilizing its resources toward five priorities:

1. Preservation and improvement of established residential neighborhoods and larger communities through implementation of policies designed to protect the established character, quality, and identity of neighborhoods.
2. Provision of an adequate supply and range of housing opportunities throughout the community by assisting in the development of new housing and being responsive to special housing needs of resident populations
3. Support and provision for fair and equal housing opportunities for all persons regardless of race, age, income, disability, sexual orientation, marital status, household size, ancestry, national origin, religion or color.
4. Ensure that Pasadena residents, especially those with low- and moderate-incomes and special needs, are assisted in meeting their housing needs through the provision of housing assistance and support services.
5. Conservation and improvement of the condition of the existing affordable housing stock, including the preservation of existing assisted housing for lower-income households and special needs groups.

1. Housing and Neighborhood Quality

Housing and neighborhood condition is an important component in ensuring the quality of life for residents of the community. The particular needs of neighborhoods vary significantly. In some older areas, Pasadena is confronted with the risk of deteriorating housing, public improvements, and community facilities. In other areas, the existing high quality of housing and the neighborhood needs to be maintained. The following policies are designed to encourage reinvestment in housing, where appropriate, and foster neighborhood stability to improve and maintain quality of life.

GOAL	MAINTAIN AND IMPROVE THE QUALITY OF EXISTING HOUSING, NEIGHBORHOODS, AND HEALTH OF RESIDENTS.
Policy 1.1	Preserve the character, scale, and quality of established residential neighborhoods.
Policy 1.2	Maintain the quality of ownership and rental housing by ensuring compliance with housing and property maintenance standards.
Policy 1.3	Promote the repair, improvement, and rehabilitation of residential structures that are substandard or in disrepair.
Policy 1.4	Encourage resident involvement in identifying and addressing the maintenance of housing in their neighborhoods.
Policy 1.5	Promote the preservation of historically and architecturally significant buildings and the quality of historic neighborhoods.
Policy 1.6	Maintain the condition of streets and drainage, sidewalks and alleys, green spaces and parks, and other public services and facilities.
Policy 1.7	Integrate the provision of schools, parks, community centers, and other public amenities with the planning and development of housing.
Policy 1.8	Revitalize neighborhoods with the residents by supporting neighborhood organizations, controlling crime, improving dilapidated housing, managing traffic, and eliminating other blighting conditions.
Policy 1.9	Preserve neighborhood parks, street trees, open spaces, hillsides, and other landscape amenities in residential areas.
Policy 1.10	Promote preservation of existing affordable housing stock.

2. Housing Production

A diversity of housing opportunities is an important goal for Pasadena. Persons and families of different ages, types, income levels, and lifestyles have different housing needs that change over time. Maintaining diversity of housing helps ensure that all persons, regardless of age, income, and family type, have the opportunity to find housing suitable to their needs. The following policies ensure that housing production meets these diverse needs and incomes.

GOAL	ENSURE AN ADEQUATE SUPPLY OF QUALITY RENTAL AND OWNERSHIP HOUSING OPPORTUNITIES
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|--------------------|---|
| Policy 2.1 | Encourage the production of housing appropriate to all economic segments of the population, including lower-, moderate- and upper-income housing, to maintain a balanced community. |
| Policy 2.2 | Direct new development along transit corridors, close to employment and activity centers; and encourage mixed-use developments. |
| Policy 2.3 | Promote the construction and rehabilitation of suitable and adequate housing for special needs groups, including seniors, disabled persons, large families, and other persons in need of housing assistance. |
| Policy 2.4 | Encourage and facilitate a mix of affordability levels in large-scale residential projects. |
| Policy 2.5 | Support innovative strategies for the adaptive reuse of residential, commercial, and industrial structures for housing. |
| Policy 2.6 | Facilitate the development of affordable housing through regulatory incentives and concessions, density bonuses, an inclusionary housing program, and other means. |
| Policy 2.7 | Encourage multifamily-residential projects to incorporate energy conservation features. |
| Policy 2.8 | Encourage dispersal of new affordable housing to expand choice and avoid an over-concentration in any one residential area. |
| Policy 2.9 | Protect and preserve established neighborhoods from incompatible uses and intensity, and other development impacts. |
| Policy 2.10 | Continue to require, monitor, and enforce National Pollutant Discharge Elimination Systems permits, Standard Urban Stormwater Mitigation Plans, Best Management Practices, Total Maximum Daily Loads for impaired water bodies, Storm Water Quality Management Programs, and Storm Water Pollution Prevention Plans, as applicable. |

3. Housing Assistance

Pasadena is home to people with special housing needs, including seniors, large families, disabled persons, single parent families, students, homeless people, and others. They may face greater difficulty in finding decent and affordable housing due to special circumstances related to their income, family characteristics, disability, or health issues. Goals and policies to address housing assistance and special needs are as follows:

GOAL	EXPAND AND PROTECT HOUSING OPPORTUNITIES FOR HOUSEHOLDS AND SPECIAL NEEDS GROUPS
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|-------------|---|
| Policy 3.1 | Seek and establish housing partnerships to aid in the retention and provision of affordable housing opportunities. |
| Policy 3.2 | Use available federal, state and local resources to support the production of affordable housing. |
| Policy 3.3 | Support collaborative partnerships of nonprofit organizations, affordable housing builders, and for-profit developers to provide greater access to affordable housing funds. |
| Policy 3.4 | Require new and substantially rehabilitated housing projects to include a share of units for moderate and lower-income households. |
| Policy 3.5 | Expand homeownership opportunities by assisting lower-income renters to become homeowners. |
| Policy 3.6 | Support the conservation of publicly subsidized housing and rental housing that is affordable to lower-income households. |
| Policy 3.7 | Provide rental assistance to address housing overpayment among special needs groups and the very-low- income population. |
| Policy 3.8 | Provide housing assistance, supportive services, and various other services to address special needs populations. |
| Policy 3.9 | Explore possible establishment of an impact fee for commercial development to address the demand for new affordable housing due to increases in the employment base. |
| Policy 3.10 | Prohibit discrimination in the sale or rental of housing on the basis of race, religion, color, ancestry, national origin, age, sex, sexual orientation, family type, handicap or minor children. |

C. Housing Programs

The goals and policies in the Housing Element are implemented through a variety of programs designed to encourage the maintenance, improvement, development, and conservation of housing within the community. In describing these programs, they are organized in a manner consistent with the City's housing goals:

- Housing and Neighborhood Conservation
- Residential Sites and Housing Production
- Housing Assistance and Special Needs

The following describes the programs that Pasadena will implement to address these areas, including specific objectives for the 2000-2005 housing element planning period. Chart 50 at the end of the chapter specifies the following for each program: five-year objective, funding sources, and agency responsible to implement the program.

Program #1. Code Enforcement Program

a. Citywide Code Enforcement.

Code enforcement is a means to ensure that the quality of housing and neighborhoods is maintained. To that end, the City's Code Enforcement Division enforces State and local regulations governing building and property maintenance. Code enforcement officials encourage community involvement by working with neighborhood advisory groups. Code enforcement efforts focus on individual buildings, neighborhoods, and revitalization areas as described below. When code violations are found, City staff direct owners to the appropriate City rehabilitation loan and grant programs.

Five-Year Objective:

Continue implementation of targeted code enforcement.

b. Emergency Enforcement Programs.

In many cases, code enforcement efforts are sufficient to identify and resolve the majority of code violations. In some cases, multi-agency cooperation is needed to provide targeted code enforcement to problem buildings. To that end, the City Prosecutor's Office provides a Nuisance Abatement Program task force to identify and find solutions to criminal and/nuisance issues, which negatively impact neighborhoods. The City's CRASH unit is designed to target key habitability and hazard properties within the community. Property owners are held accountable to remedy situations.

Five-Year Objective:

Continue implementation of targeted code enforcement.

Program #2. Housing Inspection Programs

a. Occupancy Inspection Program

The City's occupancy inspection program is designed to protect new occupants from the effect of housing and zoning code violations, help maintain the quality of housing, and provide a livable environment for residents. Whenever a change in occupancy occurs, the City requires that the property must be inspected for compliance with applicable codes. Typical items inspected include electrical, plumbing, heating, structural conditions, and other health and safety items. Upon completion and remedy of any code violations, the property owner is issued a Certificate of Occupancy.

Five-Year Objective:

Continue implementing housing inspection program.

b. Quadrennial Inspection Program.

The Quadrennial Inspection Program is designed to ensure that multi-family projects (e.g., apartments, condominiums, etc.) are decent, safe, and well maintained. All rental properties in Pasadena containing three or more units must be inspected at least once every four years. Typical items inspected include electrical, plumbing, heating, structural conditions, and health and safety items. Property owners are notified if code violations do exist and, upon remedy, the property owner is issued a Certificate of Occupancy. The occupancy inspection program continues to serve as an effective means to identify code violations as they occur, and before they affect an entire building.

Five-Year Objective:

Continue implementing housing inspection program.

c. Lead-Based Paint Program.

Lead poisoning is the most prevalent preventable environmental health hazard facing children. The Agency of Toxic Substances and Disease Registry notes that lead-based paint (LBP) hazards may be concentrated in housing built before 1950. As an older established community, many apartments in Pasadena were built before 1950. Therefore, the City's Public Health Department implements a LBP hazard program for the City's assisted housing. The program contains four components: (1) community education and awareness; (2) blood screening for young children under ages six, (3) housing and environmental inspections, and (4) referrals for services.

Five-Year Objective:

Implement housing inspection program.

Program #3: Neighborhood Improvement.

a. Neighborhood Revitalization Program.

The City administers the Neighborhood Revitalization Program (NRP). The City oversees a NRP team comprised of multiple city departments who concentrate a host of City and non-city services and resources to effect change in neighborhoods. The NRP program focuses on housing rehabilitation, property maintenance, beautification, and traffic safety, among others. The program lasts two years per neighborhood. The City has completed revitalization efforts in three areas: the Lincoln Triangle (1994), Villa Park (1996), and North Madison (1999). The City helps solicit public support by organizing demonstration projects, securing volunteers, conducting neighborhood outreach, and dedicating City staff.

Five-Year Objective:

Revitalize the Washington NRP.

b. Neighborhood Impact.

Northwest Pasadena has long been a special target area of Pasadena for enhanced community development efforts. With CDBG funding from the City, the PNHS offers programs to address these needs. PNHS offers a rehabilitation loan program to assist lower-income residents make home repairs, home repair grants of up to \$1,500 in grants for very low-income residents, and a tool lending program for residents to make home repairs. Additional homeownership opportunities through new construction and homeownership assistance are also provided with funding from the City of Pasadena.

Five-Year Objective:

Provide assistance to 125 households.

c. Neighborhood Organizations.

The City has established a Neighborhood Connections office with the mission to promote and foster participation and communication as a neutral liaison among neighborhood organizations and elected representatives, and city staff to facilitate resolution of neighborhood issues. The office is designed to encourage neighborhoods to identify issues of common concern as well as to create a partnership between the city and residents to help address issues affecting the quality of life within neighborhoods. Since its inception, Neighborhood Connections continues to serve over 90 neighborhood groups as a program of the Human Services Recreation and Neighborhoods Department.

Five-Year Objective:

Continue program implementation.

Program #4: Historic Preservation

a. Historic Preservation.

Pasadena has a significant number of historic homes and has thus established a series of historic preservation guidelines. Under Chapter 2.75 of the Pasadena Municipal Code, the Cultural Heritage Commission reviews demolitions, relocations, and alterations of designated landmarks, and historic treasures; works of architects Greene and Greene; and architecturally significant buildings over 50 years old outside the Central District. Chapter 17.52 also authorizes design review of demolitions, relocations, exterior alterations, and new construction within Bungalow Heaven and Garfield Heights historic districts. Residential guidelines are needed to assist homeowners with maintaining and rehabilitating houses.

Five-Year Objective:

Adopt residential design guidelines to assist homeowners with maintaining and rehabilitating historic homes by 2001

b. Heritage Housing Partners Program.

Pasadena has a number of historic homes, the majority of which are located in Northwest Pasadena. To preserve these historic homes, significant efforts are often necessary to rehabilitate the homes and bring them up to code standards. To address this issue, Heritage Housing Partners implements an acquisition, rehabilitation, and homeownership program. Under the first program, Heritage has been earmarked up to \$1,000,000 to acquire and rehabilitate homes. In addition, Heritage receives additional set-aside funds to provide a second deed of trust for low- and moderate-income home buyers funds to also purchase historic single-family homes. Funds are also available for routine home repair.

Five-Year Objective:

Rehabilitate 20 housing units.

c. Historic Incentives.

Pasadena encourages the retention and/or adaptive reuse of historic buildings through various regulatory incentives. The Zoning Code allows the following incentives: (1) the adaptive reuse of designated historic resources by permitting an additional use within some areas otherwise zoned solely for residential uses; (2) waivers for two covered space parking requirements in landmark districts; (3) waiver of some City of Gardens standards when projects include the rehabilitation or adaptive reuse of a historic property; and lastly, (4) the waiver of fees for design review for projects within a landmark district. Additional incentives are being considered.

Five-Year Objective:

Adopt Mills Act program by 2002 and additional incentives in revision of the Zoning Code in 2002.

Program #5: Rehabilitation Loan Programs

a. Homeowner Residential Rehabilitation.

The Pasadena Neighborhood and Housing Services administers a loan program for rehabilitating single-family homes. Loans are provided by financial institutions, while the Pasadena Community Development Commission provides interest rate write-down subsidies. The subject property can be a single-family unit, a small multi-family complex of two to four units, or a condominium project. To qualify, borrowers must occupy the residential property as their primary residence as well as meet other application criteria. The maximum loan amount is \$25,000 but may be increased for properties requiring substantial rehabilitation.

Five-Year Objective:

Rehabilitate 95 units.

b. Multi-Family Rental Rehabilitation Program.

The Pasadena Community Development Commission provides loan assistance for the rehabilitation of multi-family rental properties that are occupied by very low- and low- income tenants paying affordable rents. The loan term is determined by the amount of loan used on a per unit basis. The interest rate is typically 4% and repayment schedules are determined by the projected cash flow of the complex. To ensure that rents remain affordable to targeted income groups, a rental covenant is enforced during the loan term. The program has served as an effective way to rehabilitate older rental units.

Five-Year Objective:

Rehabilitate 50 units.

c. Maintenance Assistance to Homeowners.

The Maintenance Assistance to Homeowners (MASH) Program is a federally funded program which provides free house painting, yard cleanup, minor exterior home repair, and repair or construction of wheelchair ramps for very low-income homeowners, seniors, and disabled persons. The secondary function of the program is to provide job training for up to three years for people who have had difficulty finding jobs. Since its inception in 1979, City staff have trained approximately 700 persons, placed 400 people in regular employment, and provided home maintenance services to numerous individuals and families in Pasadena. Thus, the MASH program has helped maintain the quality of homes while also serving broader employment training goals.

Five-Year Objective:

Provide assistance to 80 households.

Program #6: Provision of Adequate Sites

The provision of sufficient and adequate sites for residential development is important in ensuring that all households, regardless of special needs status, have the opportunity to find suitable housing that meets the needs of their lifestyle. The City has programs to encourage sites for market rate, affordable, and special needs housing.

a. Land Use Element.

The provision of adequate sites is important to encourage the production of housing that is suitable and affordable to economic groups in Pasadena. The City's Land Use Element is being updated. The present Land Use Element permits various housing types ranging from a density of 1 unit per acre in hillside areas, to 6 units per acre in single-family districts, from 16 to 48 units per acre in multifamily residential areas, to a maximum of 87 units per acre in some commercial districts. Mixed use is also permitted in certain commercial districts.

Five-Year Objective:

Identify sufficient and adequate sites to accommodate the 1998-2005 RHNA.

b. Sites for Special Needs Housing.

Pursuant to requirements of State law, the City allows for the siting of housing facilities designed to accommodate special needs groups, such as the homeless, disabled persons, single parents with children, large households, college students, seniors, and persons with substance problems, among others. The Zoning Code permits emergency shelters and transitional housing, dormitories, and sororities/fraternities, licensed community care facilities, single room occupancy, affordable senior housing as well as other standard housing opportunities.

Five-Year Objective:

Continue to make provision for special needs housing.

c. Specific Plan Caps.

The 1994 Land Use Element provided an exemption to the residential development caps for each Specific Plan area in three cases to encourage the provision of affordable housing. The exemptions are: (1) the ownership units are affordable to lower- or moderate-income households; (2) the rental units are affordable to lower-income households, or (3) the rental or ownership units are for senior housing. Although this policy has increased the number of affordable units citywide, in some cases it could conflict with the City's policy of integrating affordable housing throughout the city. Thus, the City will continue exempting qualified affordable units from the Specific Plan caps, unless otherwise specified by the Specific Plan.

Five-Year Objective:

Continue policy of exempting qualified affordable units from the Specific Plan caps, unless specified by the Specific Plan to encourage dispersal throughout the City.

Program #7. Regulatory and Financial Assistance

To encourage the provision of housing, the City offers an array of programs designed to provide regulatory and financial assistance, to the extent feasible, to encourage the affordability of housing to all economic groups. These programs include the provision of regulatory and financial assistance through the following three programs.

a. Fee Waivers.

Pasadena has a strong record in providing financial incentives to facilitate development of affordable housing. Since 1992, the City has permitted waivers from the plan check fee, building permit fee, and the construction tax – for a total of 220 lower income units. To ensure long-term affordability of the unit, a rental covenant is placed upon the restricted units for 30 years guaranteeing affordability to low-income persons. This program has been used by publicly assisted projects to preserve affordability beyond mortgage expiration dates.

Five-Year Objective:

Continue providing fee waivers.

b. Regulatory Incentives.

Pasadena is actively involved in providing regulatory incentives for affordable housing. Affordable projects with a density bonus can use compact parking to satisfy a greater share of the minimum parking required. Parking for senior housing may be reduced in half, while reductions are granted for single-room occupancy units. Single-room occupancy rooms also have less stringent parking requirements. Lastly, the City of Pasadena may also process proposed affordable housing projects in an expedited manner, avoiding the costs of normal delays resulting from the review of development applications.

Five-Year Objective:

Continue program implementation.

c. Land Assemblage/WriteDowns.

The Pasadena CDC is actively involved in providing land writedowns to selected developers in the acquisition and disposition of housing sites and/or surplus properties for the construction or rehabilitation of affordable housing units. Site assemblage may be by city agencies or private entities with a reduced land cost either paid or credited to the affordable housing developers. The actual value of the land or writedown is based on the reuse value of the property for affordable housing. To ensure long-term affordability of the unit(s) constructed or rehabilitated, a 15-40 year covenant is placed on the property to control occupancy of the restricted units.

Five-Year Objective:

Continue program implementation.

Program #8: Reduction of Governmental Constraints

a. Revision of Garden Standards.

With experience in the implementation of multi-family developments, City staff has identified several areas that merit examination. The "City of Gardens" standards, which were adopted in 1989, were designed to create more livable and higher density multi-family developments. As part of an overall zoning code revision (which was last done in 1985), the City will have the opportunity to assess the effects of development standards on the affordability and production of multi-family housing and to propose modifications for flexibility. In particular, the City will examine height limits and setbacks in the Garden standards which affect multi-family developments.

Five-Year Objective:

Complete revision of Garden standards in 2002.

b. Density Bonus Program.

Pasadena implements the State-mandated density program for projects which set aside a certain portion of units as affordable to very low income persons, or seniors. As an alternative to the density bonus, the City will grant an incentive of equal financial value. However, affordability of the units must be maintained for 20 years if no development incentive is requested and 30 years if a development incentive is granted. For projects in certain downtown areas, however, up to 50% density bonus is allowed with a conditional use permit. The City advertises the program through the predevelopment plan review process for multi-family projects larger than nine units.

Five-Year Objective:

Continue program implementation.

c. Recycling Program

Pasadena is in the midst of a building boom for new housing. The high demand for housing has led to the conversion of old gas stations, restaurants, parking lots, dilapidated or underutilized homes into high density multi-family housing. Recycling of commercial uses is occurring at a rate of 24 new units for every 1 unit demolished. The City facilitates recycling by allowing high-density housing (up to 87 units per acre) in commercial zones, granting density bonuses to ten projects comprising over 1,100 new housing units, and granting fee waivers to such developers in excess of \$40,000 annually. Pasadena has actively used these incentives to facilitate and encourage the development of over 3,500 new units since 1998. Pasadena will continue to provide these incentives.

Five-Year Objective:

Continue program implementation.

Program #9. Affordable Housing Incentives

a. Inclusionary Program.

The City is proposing to require residential development projects and mixed-use projects to include a share of units that are affordable to moderate- and low-income households. In projects of ten or more units, the program will require that 15% of the units are affordable, with certain exemptions. A phase-in period is under consideration. Single-family dwelling units will be subject to the requirement only in Planned Development projects of 10 or more units. As alternatives to constructing the inclusionary units on the primary development site, an applicant may choose three alternatives: (1) to construct the units on another site, (2) to pay a fee in lieu of constructing the units, or (3) donate a site for development.

Five-Year Objective:

Adopt inclusionary ordinance by 2001 and review impact of regulations by 2004.

b. Commercial Impact Fee.

There is a clear relationship between the addition of new employment in a given area and the demand for housing. Some jobs will be service occupations that earn more modest income, while other jobs will be higher-paying. However, if the demand for new housing exceeds supply, housing costs will increase accordingly – having its greatest impact upon low- and moderate-income households. Some cities have adopted an impact fee program to address the demand for affordable housing generated by commercial and office development. Funds are earmarked for affordable housing.

Five Year Objective:

Evaluate establishing impact fee for non-residential development.

c. Northwest Pasadena Program

As a highly urbanized community, Pasadena has undergone significant redevelopment and enhancement over the 1990s. However, certain portions of Pasadena require more focused attention due to the age of the neighborhood, the condition of public improvements, and quality of housing stock. Northwest Pasadena is such an area. Pasadena has received \$5,000,000 in Fannie Mae's American Communities Fund to assist in increasing the production, rehabilitation and preservation of the housing stock with an emphasis on affordable housing. The City allocates the funds through a Notice of Funding Availability (NOFA) process, administers the distribution of loans, and develops and monitors the affordability agreements.

Five-Year Objective:

Assist 250+ households.

Program #10. Homebuyers Assistance Programs

Expanding homeownership is a means to stabilize neighborhoods and provide housing for all households. Pasadena offers a number of homeowner assistance programs that make it more financially feasible to own single-family homes and also town homes. These assistance programs are offered citywide as well as in particular neighborhoods.

a. Citywide Homebuyers Club.

Pasadena Neighborhood Housing Services (PNHS), a local nonprofit housing organization, offers homeownership assistance program. Specifically, PNHS offers 2% down payment assistance and up to \$4,000 for non-recurring closing costs to purchase a home in Pasadena. Funding can also be used for the repair and rehabilitation of their homes. Participants are required to attend a series of homebuyer education workshops and seminars provided by PNHS. To be eligible for the financial assistance, the prospective homebuyer must be a low- income and first-time homebuyer.

Five-Year Objective:

Assist 31 households.

b. Homeownership Opportunities Program.

The City's Homeownership Opportunities Program (HOP) provides homeownership assistance for low and moderate-income homebuyers. The HOP Program provides a second trust deed loan in the amount of up to \$45,000 to assist low- and moderate- income homebuyers. The HOP loan has a below-market interest rate and a term of up to 30 years. Monthly loan payments are required and, upon resale or refinancing of the property before loan maturity, the borrower is required to repay the outstanding amount owed on the HOP loan plus a share of the property's appreciation in value.

Five-Year Objective:

Assist 150 households.

c. HomeKey Program

The City's Home Key program provides up to \$15,000 for down payment and closing cost assistance in the form of a second trust deed loan. The interest rate is 7.45% over a 15-year term. Moderate income limits apply. A minimum 1% down payment is required. Monthly loan payments are amortized over the 15-year loan term. Unlike the HOP loan restrictions, however, payment of a share of the property's appreciation in value is not required upon resale or refinancing. Home Key applications are available only from lenders participating in the program.

Five-Year Objective:

Assist 100 households.

d. Mortgage Credit Certificate Program.

Pasadena participates with a consortium of cities in the Mortgage Credit Certificate Program (MCC) administered by the Los Angeles County CDC. This program provides first-time homebuyers with a federal income tax credit which increases their ability to qualify for a mortgage. The amount of the tax credit is equal to 10% or 15% of the homebuyer's annual mortgage interest paid and is taken as a dollar-for-dollar credit against the owner's federal income taxes. The annual tax credit is 15% for homes purchased within an Target Area and 10% for homes purchased outside the Target Area. To be eligible for an MCC, the applicant must be a first-time homebuyer and not earn above moderate- income. Program information is publicized through the City's homebuyer seminars.

**Five-Year
Objective:**

Assist 100
households.

e. Lease-Own Program.

Pasadena participates in a lease-to-purchase program with the California Cities Home Ownership Authority (CCHOA). CCHOA's program provides additional means of transitioning moderate-income renters into homeownership. After the prospective homebuyer qualifies with a lender and pays a 1% commitment fee, CCHOA purchases the home and the prospective homebuyers enters into a lease agreement with an option to purchase. CCHOA pays 3% down and capped closing costs. After a three-year lease period, the homebuyer assumes the loan at a fixed rate. Program information is publicized through the City's homebuyer seminars.

**Five-Year
Objective:**

Assist 50
households.

f. Section 8 Ownership Program

Traditionally, Section 8 vouchers have supported renters. Because securing homeownership is difficult in Pasadena's market and the need to transition renters to homeownership opportunities, the City will explore the concept of using vouchers for home ownership. The basic concept consists of using a voucher subsidy to help the family pay for monthly homeownership expenses, rather than rent payments. Applicants must be enrolled in the Family Self-Sufficiency Program, have an adequate work, housing, and credit history. Furthermore, the family would also be required to satisfactorily complete the home-ownership counseling program required by the Public Housing Authority.

**Five-Year
Objective:**

Assist 20
households

Program #11: Rental Assistance

a. Housing Choice Vouchers.

The Pasadena Community Development Commission (PCDC) contracts with HUD to administer the Housing Choice Voucher Program. Under this program, the City provides very low-income households with vouchers to subsidize the cost of renting an apartment unit. The tenant pays 30% of income toward the rent; HUD pays the difference up to a Payment Standard; and the tenant pays any additional rent provided costs do not exceed 40% of income. In recent years, the leaseup rate has been declining and thus the City has committed to hiring a consultant to improve the lease up rates. Moreover, since rents in Pasadena exceed regional averages, PCDC must negotiate with HUD to secure exception rents.

**Five-Year
Objective:**

Assist 1,300 households, seek to adjust payment standard, and improve leaseup rates

b. HOME Rental Assistance.

In certain cases, temporary rental assistance is needed by very low income families with special circumstances. The City administers a tenant-based rental assistance program with HOME funds. All applicants must be referred to the Pasadena CDC by a Sponsor Agency. Special circumstances recognized by the PCDC are as follows: 1) involuntarily displacement due to government action, involuntarily displacement as a result of a health or safety hazard cited by the City, victim of domestic violence, and temporary homelessness due to loss of job or other event. Rental assistance under this program is available but limited to a maximum period of 24 months.

**Five-Year
Objective:**

Assist 30 households.

c. Supportive Housing Assistance

Many times the needs of very low and low-income persons and families extend beyond housing. Households require a complex matrix of supportive services that enable them to stabilize their lives. The City administers three supportive programs – Family Self Sufficiency (FSS), Shelter Plus Care (S+C), and Housing for People With Aids (HOPWA). FSS is a highly structured program designed to foster independence. S+C funds are provided to homeless people living with mental disabilities, chronic substance misuse, or HIV/AIDS. HOPWA provides case management and supportive services to very low income persons and families with HIV/AIDS. The goal of these three programs is to enable participants to live as independently as possible within a structured program

**Five-Year
Objective:**

Assist 150 households.

Program #12: Continuum of Care

a. Emergency Shelter

Pasadena has one of the more extensive emergency shelter systems throughout the entire San Gabriel Valley. The City of Pasadena permits and assists in the funding of one bad weather shelter and six emergency shelters for homeless persons, families, youth, and victims of domestic violence. Emergency shelters typically allow stays of up to 60 days. Through this program, Pasadena also assists in the provision of hotel/motel vouchers administered through nonprofit organizations. Taken together, these programs provide 111 emergency beds and numerous vouchers.

Five-Year Objective:

Continue program implementation.

b. Transitional Housing

The second phase of the continuum of care program is transitional housing. Transitional housing typically lasts up to two years and typically involves the provision of shelter plus supportive services to help transition the individual or family to more of a self-sufficient lifestyle. Supportive services address the immediate and long-term needs of the participants (e.g., health care, mental health, substance abuse, public benefits, private insurance, legal assistance). The City assists four residential substance abuse treatment facilities, two facilities for single parents with children, and the HOPWA, S+C, and other housing assistance programs.

Five-Year Objective:

Continue program implementation.

c. Permanent Supportive Housing

Finally, the City also supports the provision of permanent supportive housing for residents needing services, such as seniors, disabled persons, and formerly homeless persons. These facilities include licensed community care facilities, sober living facilities, and AIDS homes which allow for long-term stays in a facility that provides specialized services. Pasadena currently has one AIDS facility, sixteen skilled nursing facilities, and numerous licensed community care facilities providing over 4,000 beds. In addition, the Pasadena CDC is currently assisting the construction and rehabilitation of group homes, including the Wynn House, Chester House, Sierra Home, Navarro Home, and the San Gabriel Foundation facility for persons with developmental disabilities.

Five-Year Objective:

Fund the Wynn, Chester, Sierra, Navarro House, and San Gabriel Foundation home.

Program #13: Preservation of Affordable Housing

a Preservation of At-Risk Units.

Twenty-seven multi-family rental projects with approximately 1,500 units receive government assistance in return for reserving units that are affordable to lower-income households. Approximately 454 rental units are at risk of losing their affordability controls by 2010 due to the potential expiration of use restrictions, or their Section 8 project contracts. Options to preserve these at-risk units are as follows:

- 1) provision of rental assistance to tenants;
- 2) purchase of affordability covenants; or
- 3) replacement or development of new assisted housing

As part of the City's preservation efforts, the City recently negotiated with HUD to increase the allotment of Section 8 vouchers to guarantee persons displaced from Sky Vista Apartments and La Villa Lake Apartments a Section 8 voucher. Although these projects opted out of the Section 236 program, HUD increased the number of vouchers allocated to Pasadena to accommodate the approximately 100 households displaced. In addition, the Pasadena CDC extended a loan, along with Low Income Housing Tax Credit Assistance, to Kings Village to preserve the apartment complex as affordable. These actions helped preserve an additional 300 units as affordable.

b. I-710 Freeway Expansion

Caltrans is proposing the extension of the 710 Freeway through the communities of El Sereno, Alhambra, South Pasadena, and Pasadena. To ensure adequate right-of-way for the Freeway, Caltrans has acquired a total of 143 homes in the proposed right of way. Construction of the freeway is not anticipated to begin during the 2000-2005 planning period. However, should construction eventually take place, Pasadena will support Caltrans efforts to make available replacement housing commensurate with the number of units demolished and the affordability levels of the housing units. However, not all 143 units are anticipated to be demolished. Still, given the large site inventory detailed in Chapter 4, these potential demolitions will not impede the City's ability to address its regional housing needs.

Five-Year Objective:

Work with owners at least one year prior expiration to develop a strategy to preserve at-risk units.

Preserve the SkyVista, La Villa Lake, and Kings Village complexes.

Five-Year Objective:

Support Caltrans' efforts to make available replacement housing of suitable affordability levels.

Program #14: Fair and Equal Housing Opportunity

a. Fair Housing Services

Pasadena contracts with nonprofit agencies to promote the enforcement of fair and equal housing opportunity laws. The City contracts with the Housing Rights Center to provide counseling and referrals, landlord and tenant dispute resolution, discrimination and complaint processing, education, outreach, training, technical assistance, advocacy, and relocation assistance. The City is currently updating its 2000-2005 Fair Housing Plan, the recommendations of which will dovetail into the update of the Zoning Code. In addition, the City will implement its Housing Mediation Ordinance, which oversees landlord – tenant disputes.

Five-Year Objective:

Continue to provide fair housing services, complete 2000- 2005 Fair Housing Plan by 2003, and develop a new mediation service by 2002.

b. Analysis of Impediments

The City's 2000-2005 Analysis of Impediments to Fair Housing Choice made the following recommendations to improve fair housing: 1) adopt findings prohibiting second units as required by State law; 2) review licensed community care use descriptions for consistency and clarity with State law; 3) reevaluate Section 8 preferences, particularly for families with children, based upon data from the 2000 Census.; 4) remove the maximum occupancy requirement for emergency shelters in the City's commercial and industrial zones; and 5) complete code revisions by 2003.

Five-Year Objective:

Complete zoning code revisions and AI recommendations by 2003.

c. SB 520 Program

Consistent with SB520 enacted January 1, 2002, the City of Pasadena will analyze and determine whether there is constraints on the development, maintenance and improvement of housing intended for persons with disabilities. The analysis will include an evaluation of existing land use controls, permit and processing procedures and building codes. If any constraints are found in these areas, the City will initiate actions to address these constraints, including removing the constraints or providing reasonable accommodation for housing intended for persons with disabilities.

Five-Year Objective:

The City will conduct evaluation by 1/2003 and if any constraints are found, will take actions within 6 months to address constraints.

Chart 5-3
Housing Program Implementation

Housing Program	Program Goal	Five-Year Objective	Funding Source	Responsible Agency	Time-Frame
1. Code Enforcement					
a. Citywide	To maintain and improve quality of housing and neighborhoods	Implement targeted code enforcement	CDBG & General Fund	Planning & Permitting	Ongoing
b. Emergency		Implement targeted code enforcement	General Fund	City Prosecutor	Ongoing
2. Housing Inspections					
a. Occupancy	Maintain quality of ownership and rental units as well as eliminate health hazards.	Implement housing inspection program	General Fund	Planning & Permitting	Ongoing
b. Quadrennial		Implement housing inspection program	General Fund	Planning & Permitting	Ongoing
c. Lead Paint		Implement housing inspection program	General Fund	Health Department	Ongoing
3. Neighborhood Improvement					
a. Neighborhood Revitalization	Encourage involvement by residents and improve quality of neighborhoods	Revitalize the Washington NRP	CDBG & General Fund	Planning & Permitting	2002
b. Neighborhood Impact		Assist a total of 125Households	CDBG	PNHS	Ongoing
c. Neighborhood Connections		Continue program implementation	CDBG	Human Services	Ongoing
4. Historic Preservation					
a. Historic Preservation	To preserve, improve, and rehabilitate structures of historic merit	Adopt residential guidelines	General Fund	Historic Preservation	2001
b. Heritage Partners		Rehabilitate 20 units	CDBG	Heritage Partners	Ongoing
c. Historic Incentives		Adopt Mills Act and additional incentives	General Fund	Historic Preservation	2002
5. Rehabilitation Loans					
a. Homeowners Program	To maintain and improve quality of housing and neighborhoods	Rehabilitate 95 units	HOME	PNHS	Ongoing
b. Multi-Family Rental Program		Rehabilitate 50 units	HOME	CDC	Ongoing
c. MASH Program		Assist 80 households	CDBG	Planning & Permitting	Ongoing
6. Provision of Sites					
a. Land Use Element	Provide sites for housing to accommodate a range in	Identify vacant sites and densities	General Fund	Planning & Permitting	Ongoing
b. Special Needs Group Housing		Permit sites for special needs	General Fund	Planning & Permitting	Ongoing

Chart 5-3
Housing Program Implementation

Housing Program	Program Goal	Five-Year Objective	Funding Source	Responsible Agency	Time-Frame
c. Specific Plan Caps	housing types and prices.	Exempt affordable housing from Specific Plan growth caps unless specified by Specific Plan	General Fund	Planning & Permitting	2002
7. Regulatory & Financial Assistance					
a. Fee Waivers	Encourage the production of affordable and special needs housing	Continue program implementation	General Fund	Planning & Permitting	Ongoing
b. Regulatory Incentives		Continue program implementation	General Fund	Planning & Permitting	Ongoing
c. Land Writedowns		Continue program implementation	General Fund	Planning & Permitting	Ongoing
8. Reduce Government Constraints					
a. Garden Standards Revision	Reduce the extent of government constraints upon housing development	Complete Zoning Code Revision	General Fund	Planning & Permitting	2002
b. Density Bonus Program		Continue program implementation	General Fund	Planning & Permitting	Ongoing
c. Recycling Program		Continue provision of recycling incentives	General Fund	Planning & Permitting	Ongoing
9. Affordable Housing Incentives					
a. Inclusionary Housing Program	Facilitate the development of affordable housing	Adopt program and review impact of regulations	General Fund	Planning & Permitting	2001 and 2004
b. Commercial Impact Fee		Evaluate program establishment	General Fund	Planning & Permitting	2002
d. Northwest Pasadena		Assist 250+ households	CDC, HOME, Fannie Mae	Housing & Dvlpmt	Ongoing
10. Homebuyer Programs					
a. Pasadena Homebuyer Club	Increase and expand homeownership opportunity to households citywide and in the Northwest	Assist 31 households	HOME	PNHS	Ongoing
b. Home Opportunities		Assist 150 households	CDC	Housing & Dvlpmnt	Ongoing
c. Home Key Program		Assist 100 households	DPAIN	PNHS	Ongoing
d. Mortgage Credit Certificate		Assist 100 households.	Federal	Housing & Dvlpmnt	Ongoing
e. Lease-to-Own Program		Assist 50 households.	CCHOA	CCHOA	Ongoing
f. Section 8 Homeownership		Assist 20 households	HUD	Housing & Dvlpmnt	2002
11. Rental Assistance					

Chart 5-3
Housing Program Implementation

Housing Program	Program Goal	Five-Year Objective	Funding Source	Responsible Agency	Time-Frame
a. Housing Vouchers	Preserve and provide affordable units and assist very-low income households	Increase registrations and monitor and increase payment standard	Section 8 vouchers	Housing & Dvlpmnt	Ongoing
b. Emergency rental assistance		Assist 30 persons referred to City	HOME	Housing & Dvlpmnt	Ongoing
b. Supportive Rent Assistance		Assist 150 persons with special needs	S+C; SHP, HOPWA	Housing & Dvlpmnt	Ongoing
12. Supportive Housing					
a. Emergency Shelter	Provide a continuum of care for persons with special housing needs	Continue program implementation	CDC; S+C; HOPWA; SHP; ESG	Housing & Dvlpmnt	Ongoing
b. Transitional Housing		Continue implementation. Assist in development of Euclid Villa.		Housing & Dvlpmnt	2002
c. Permanent Supportive		Fund the Wynn, Chester, Sierra, Navarro House, and Cerebral Palsy home		Housing & Dvlpmnt	2003
13. Conservation Programs					
a. At-Risk Units	Preserve existing affordable housing	Preserve Sky Vista, La Villa Lake and Kings Village and work with property owners to develop strategies	General Fund	Planning & Permitting	2003
b. 710 Freeway-		Support Caltrans efforts to replace units at same affordability levels	Varied	Housing & Dvlpmnt	Ongoing
14. Fair Housing Program					
a. Fair Housing Service	Ensure fair and equal housing opportunity	Continue providing fair housing services.	CDBG	Housing & Dvlpmnt	Ongoing
b. Analysis of Impediments		Implement action items in the 2000-2005 AI	Various	Planning & Permitting; Housing	2003
c. SB520		Conduct required analysis and address or remove any constraints found	Various	Planning & Permitting; Housing	2003
Quantified Objectives	Income Group	New Construction	Rehabilitation	Preservation	
	Very Low	462	222	300	
	Low	284	130	300	
	Moderate	338	18	-0-	
	Upper	693	-0-	-0-	

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APPENDIX - GLOSSARY



Acre: a unit of land measure equal to 43,560 square feet.

Acreage, Net: The portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement that places resale or rental restrictions on a housing unit.

Affordable Housing: Is defined by State and federal statutes as housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and related costs. The term "affordable housing" is used in a broad sense to reflect housing that is affordable to all economic strata -- low, moderate, and upper income households.

Annexation: The incorporation of land area into the jurisdiction of an existing city with a resulting change in the boundaries of that city.

Assisted Housing: Housing that has been subsidized by federal, state, or local housing programs.

At-Risk Housing: Multi-family rental housing that is at risk of losing its status as housing affordable for low and moderate income tenants due to the expiration of federal, state or local agreements.

California Department of Housing and Community Development - HCD: The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Census : The official United States decennial enumeration of the population conducted by the federal government.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD). This grant allots money to cities and counties for housing rehabilitation and community development activities, including public facilities and economic development.

Condominium: A building or group of buildings in which units are owned individually, but the structure, common areas and facilities are owned by all owners on a proportional, undivided basis.

Density: The number of dwelling units per unit of land. Density usually is expressed "per acre," e.g., a development with 100 units on 20 acres has density of 5.0 units per acre.

Density Bonus: The allowance of additional residential units beyond the maximum for which the parcel is otherwise permitted usually in exchange for the provision or preservation of affordable housing units at the same site or at another location.

Development Impact Fees: A fee or charge imposed on developers to pay for a jurisdiction's costs of providing services to new development.

Development Right: The right granted to a land owner or other authorized party to improve a property. Such right is usually expressed in terms of a use and intensity allowed under existing zoning regulation. For example, a development right may specify the maximum number of residential dwelling units permitted per acre of land.

Dwelling, Multi-family: A building containing two or more dwelling units for the use of individual households; an apartment or condominium building is an example of this dwelling unit type.

Dwelling, Single-family: A one-family dwelling. The dwelling can be attached to one or more other one-family dwellings by a common vertical wall. The dwelling can also be detached, not attached to any other dwelling, which is designed for and occupied by not more than one family and surrounded by open space or yards.

Dwelling Unit: One or more rooms, designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of a household.

Element: A division or chapter of the General Plan.

Emergency Shelter: An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis.

Emergency Shelter Grants (ESG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD) provided on a formula basis to large entitlement jurisdictions.

Entitlement City: A city, which based on its population, is entitled to receive funding directly from HUD. Examples of entitlement programs include CDBG, HOME and ESG.

Fair Market Rent (FMR): Fair Market Rents (FMRs) are freely set rental rates defined by HUD as the median gross rents charged for available standard units in a county or Standard Metropolitan Statistical Area (SMSA). Fair Market Rents are used for the Section 8 Rental Program and other HUD programs and are published annually by HUD.

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home. Jurisdictions may adopt local definitions for first-time home buyer programs which differ from non-federally funded programs.

Floor Area Ratio (FAR): The gross floor area of all buildings on a lot divided by the lot area; usually expressed as a numerical value (e.g., a building having 10,000 square feet of gross floor area on a lot of 5,000 square feet in area has a floor area ratio of 2:1).

General Plan: The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Group Quarters: A facility which houses groups of unrelated persons not living in households (U.S. Census definition). Examples include institutions, dormitories, shelters, military quarters, assisted living facilities and other quarters, including single-room occupancy housing, where 10 or more unrelated individuals are housed.

HCD: The State Department of Housing and Community Development.

Home Mortgage Disclosure Act (HMDA): The Home Mortgage Disclosure Act requires larger lending institutions making home mortgage loans to publicly disclose the location and disposition of home purchase, refinance and improvement loans. Institutions subject to HMDA must also disclose the gender, race, and income of loan applicants.

HOME Program: The HOME Investment Partnership Act, Title II of the National Affordable Housing Act of 1990. HOME is a Federal program which provides formula grants to States and localities to fund activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to low-income people.

Homeless: Unsheltered homeless are families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings). Sheltered homeless are families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter.

Household: The US Census Bureau defines a household as all persons living in a housing unit whether or not they are related. Household does not include persons living in dormitories, prisons, convalescent homes, or other group quarters. Pursuant to HUD definition, a household can be defined as:

Small – consisting of two to four non-elderly persons

Large – consisting of 5 or more members.

Elderly –one- or two- member household in which the head or spouse is age 62 or older.

Household Income: The total income of all the persons living in a household. A household is usually described as very low income, low income, moderate income, and upper income based on household size and income, relative to regional median income.

Housing Problems: Defined by HUD as a household which: (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30% of income on housing cost.

Housing Subsidy: Housing subsidies refer to government assistance aimed at reducing housing sales or rent prices to more affordable levels. Where a housing subsidy is linked to a particular house or apartment, the subsidy is "project" or "unit" based. In Section 8 voucher programs the subsidy is linked to the family and is said to be "tenant based."

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

HUD: See U. S. Department of Housing and Urban Development.

Income Category: Under state housing statutes, four categories are used to classify a household according to income based on the median income for the county. These categories are: Very Low (0-50% of County median); Low (51-80% of County median); Moderate (81-120% of County median); and Upper (over 120% of County median).

Manufactured Housing: Housing that is constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market Rate Housing: Housing which is available on the open market without any subsidy. The price for housing is determined by the market forces of supply and demand and varies by location.

Median Income: The annual income for each household size within a region which is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a dwelling unit when connected to the required utilities, either with or without a permanent foundation.

Mortgage Revenue Bond (MRB): A state, county or city program providing financing for the development of housing through the sale of tax-exempt bonds.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as households with greater than 1.51 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, according to the U.S. Census Bureau. Severe overpayment exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Physical Defects: A housing unit lacking complete kitchen or bathroom facilities (U.S. Census definition). Jurisdictions may expand the Census definition in defining units with physical defects.

Project-Based Rental Assistance: Rental assistance provided for a project, not for a specific tenant. A tenant receiving project-based rental assistance gives up the right to that assistance upon moving from the project.

Public Housing: A project-based low-rent housing program operated by independent local public housing authorities. A low-income family applies to the local public housing authority in the area in which they want to live.

Redevelopment Agency: California Law provides authority to establish a Redevelopment Agency with the scope and financing mechanisms to remedy blight and provide stimulus to eliminate deteriorated conditions. Redevelopment law requires an Agency to set aside 20% of all tax increment dollars generated from each redevelopment project area for the purpose of increasing and improving the City's supply of low and moderate income housing.

Regional Housing Needs Assessment (RHNA): The Regional Housing Needs Assessment (RHNA) is based on State of California projections of population growth and housing unit demand and assigns a share of the region's future housing need to each jurisdiction within the SCAG region. These housing need numbers serve as the basis for the update of the Housing Element in each California city and county.

Rehabilitation: The upgrading of a building previously in a dilapidated or substandard condition for human habitation or use.

Section 8 Rental Voucher/Certificate Program: A tenant-based rental assistance program that subsidizes a family's rent in a privately owned house or apartment. The program is administered by local public housing authorities. Assistance payments are based on 30 percent of household annual income. Households with incomes of 50 percent or below the area median income are eligible to participate in the program.

Southern California Association of Governments (SCAG): The Southern California Association of Governments is a regional planning agency which encompasses six counties: Imperial, Riverside, San Bernardino, Orange, Los Angeles, and Ventura. SCAG is responsible for preparation of the Regional Housing Needs Assessment.

Special Needs Groups: Persons which have a more difficult time finding decent affordable housing due to special circumstances. Under California Housing Element statutes, these special needs groups consist of the elderly, handicapped, large families, female-headed households, farmworkers and the homeless. A jurisdiction may also include additional special needs groups that may be present in their community.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards contained in the State Housing Code (i.e. does not provide shelter, endangers the health, safety or well-being of occupants). Jurisdictions may adopt more stringent local definitions of substandard housing.

Supportive Housing: Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a supportive service component such as those defined below.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Tenant-Based Rental Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Transitional Housing: Transitional housing is temporary housing for a homeless individual or family who is transitioning to permanent housing. Transitional housing often includes a supportive services component (e.g. job skills training, rehabilitation counseling, etc.) to allow individuals to gain necessary life skills in support of independent living.

U.S. Department of Housing and Urban Development (HUD): The cabinet level department of the federal government responsible for housing, housing assistance, and urban development. Housing programs administered through HUD include Community Development Block Grant (CDBG), HOME and Section 8 among others.

Zoning: A land use regulatory measure enacted by local government. Zoning district regulations governing lot size, building bulk, placement, and other development standards vary from district to district, but must be uniform within the same district. Each city and county adopts a zoning ordinance specifying these regulations.

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